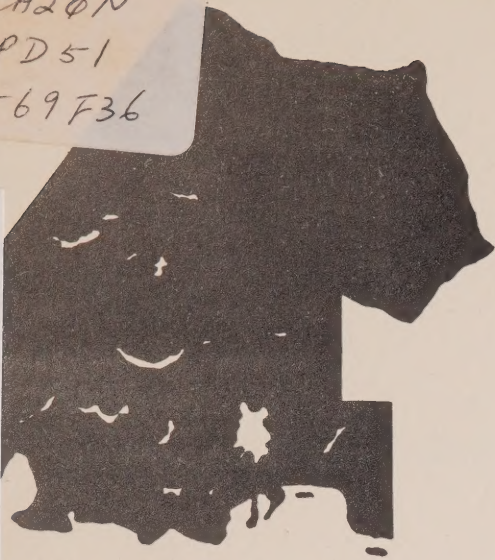


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**NORTHWESTERN
ONTARIO
DEVELOPMENT
COUNCIL**

**FIVE YEAR
DEVELOPMENT PROGRAM
FINAL REPORT**

CA20N
PD 51
-59736

NORTHWESTERN ONTARIO DEVELOPMENT COUNCIL

FIVE YEAR DEVELOPMENT PROGRAM

FINAL REPORT

Proctor, Redfern,
Bousfield & Bacon

February 1969
E.O. 68551



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February 7, 1969.

Project E.O. 68551

Mr. Alexander Phillips
General Manager
Northwestern Ontario Development
Council
Room 201
News Chronicle Building
Port Arthur, Ontario

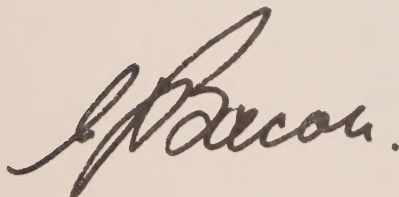
Dear Mr. Phillips:

We are pleased to submit our final report on the five year development program for Northwestern Ontario. This report is based on the draft report we presented to you in November of last year and includes all changes and modifications suggested at the January 24 meeting of your Board of Directors. We trust you will find it satisfactory.

May we say that we found working with you and your council a most rewarding and edifying experience and only hope that you have found it so as well.

Yours very truly

PROCTOR, REDFERN,
BOUSFIELD & BACON

A handwritten signature in dark ink, appearing to read "M.J. Bacon". The signature is fluid and cursive, with a large, sweeping initial "M" and "J" followed by "Bacon".

M.J. Bacon, M.T.P.I.C.
MJB:mg
Encl.

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Chart 1 Five Year Development Program

THE NORTHWESTERN ONTARIO DEVELOPMENT COUNCIL PROGRAM

A FIVE YEAR DEVELOPMENT PROGRAM FOR NORTHWESTERN ONTARIO

Project E.O. 68551

INTRODUCTION

This report is the second of two reports to be presented to the Northwestern Ontario Development Council. It is based on the draft presented to the Board of Directors on November 28, 1968 and incorporates changes suggested at a subsequent meeting on January 24, 1969. It is to be presented by the Council to the Regional Development Branch of the Department of Treasury and Economics for incorporation into the Province's regional development program, Design for Development.

The report represents an expression of the opinions of community leaders and interested citizens in the Northwest concerning their goals, problems, and requirements. It is not intended to be the definitive planning and development research work for Northwestern Ontario. Rather, it is hoped, that the report will serve to show, in a way compatible with the evaluation stage of the Province of Ontario's Regional Development Program, what the grass roots thinking on Northwestern Regional Development is. It should be stressed that the arguments developed in this report were developed completely in consultation with the people of the region.

To accomplish this task the cooperation of an enormous number of people was necessary. Approximately 500 people attended 11 meetings held during the month of September and all contributed something to this project. But a few should be singled out. Foremost of these is Mr. Alexander Phillips, the General Manager of the Northwestern Ontario Development Council, who scheduled the meetings, drove the consultant around and enabled him to meet many people and see many things, which was of immeasurable value. Thanks also should go to Dr. Richard S. Thoman, Director of the Regional Development Branch and his staff for their helpful comments in interpreting the concept of the Regional Development Program. Finally, the Quetico Centre under the able direction of its Director, Mr. John Williams, should be given special thanks for the provision of their facilities as well as their time and experience in the Regional Development Seminar held at Quetico Centre September 27th to 29th.

The report itself was prepared in the firm of Proctor, Redfern, Bousfield and Bacon under the supervision of Mr. M.J. Bacon, by Mr. Malcolm Martini.

I SCOPE AND METHOD

1. Scope

Ultimately the prime purpose of this project is to prepare a five year development program for Northwestern Ontario. From discussions with the original initiators of this project, the Regional Development Branch, it became apparent that although the project was conceived as a pre-requisite for the granting of program monies to the Regional Development Councils, it was not to be construed narrowly in the sense that the program suggested should only relate to those actions which might be carried out by the Council. Rather, the program should include all forms of action that might be taken by Council and Government in achieving specified regional development aims. Theoretically then the program could recommend that virtually any institution whether existent or not should take action in accomplishing the aims of the program.

The scope of the program was not however limited to the number of institutions that might be considered. Being a Regional Development Program, one would naturally expect that consideration would be given to the spatial aspects of economic development. But the spatial aspects of economic development can hardly ignore the non-spatial aspects, that is, the sectoral changes or changes which occur within industry groups. Accordingly, the purpose of this report is the dual one of making recommendations on both the spatial and sectoral aspects of regional development in Northwestern Ontario.

The time span of the program was originally intended to cover a five year period. It was to consider the specific program needs for the years 1968-1969 and 1970, and the general program needs for the years 1971 and 1972. Since 1968 is drawing to a close, this means that the program is effectively a 4 year development program. Rather than limit the scope of the program to 4 years the decision was made to develop a total program under the assumption that if accepted, much of it would be in effect by the close of the period. Thus although dates will be suggested for the inception of particular recommendations, the important part will be the order in which they are suggested. In other words, in the critical path of regional development the dates suggested here refer mainly to order and the path itself is of no fixed length.

It was originally intended that the region would be treated on a zonal basis. There are however, no formal zones such as those which exist in other regions. There are of course the districts of Thunder Bay, Kenora, and Rainy River, as well as the enormous Patricia portion. It is zones similar to these districts which are used in other regions of Ontario particularly in the Northeastern Ontario Development Councils Region. Districts such as these could conceivably be used in the northwest.

It is not clear however, that there would be any advantage in using such zones. Since this study is only peripherally concerned with issues of regional government there seems to be no reason to adhere to the district zone principle even if that principle seemed to be adumbrated in the report and recommendations of the Lakehead Local Government Review.

Some have suggested, that Northwestern Ontario be divided into three regions, the western or Patricia part, the Lakehead area and the area east of the Lakehead. But it is not clear, that this would afford any advantages to the study.

At this stage of the program the only purpose in using a zonal system would be to isolate "homogeneous" areas. But to do this one could identify only one area of the northwest that was "homogenous". That area would be the Lakehead. The eastern section is made up of Towns which are in some cases very prosperous and in other cases very much on the economic downgrade. The same is true for the western part of the region; there is also no real north-south division.

Since an areal approach to the taxonomy of the towns is not applicable another approach must be tried, if each town is not to be discussed individually.

An alternative approach is to use the population variable. While a simple ordering of places according to population size

would be of some help and from time to time will be used, a grouping according to changes in population growth over the past, say 10 years, would centre attention on one of the basic goals of the provincial program, growth, and one of its principal tools, urbanization. Accordingly, places in Northwestern Ontario will be grouped into one of three categories, places which have experienced absolute declines in population of 10% or more between 1956 and 1966, places which have experienced almost no change in population growth during that period, and places whose population has grown 25% or more, (25% being the provincial growth between 1956 and 1966). The groupings of Northwestern Ontario places are shown in Table 1.

NORTHWESTERN ONTARIO
TABLE 1
GROUP I
COMMUNITIES WITH POPULATION CHANGES 25% OR MORE 1956-1966

Community	Pop. 1956	Pop. 1961	Pop. 1966	Change % '56-'61	Change % '61-'66	Change % '56-'66
Manitouwadge	877	2,635	3,132	200.5	18.9	257.1
Longlac	866	1,144	1,322	32.1	15.5	52.7
Dryden	4,428	5,728	6,732	29.4	17.5	52.0
Red Lake-Balmerton	3,294	4,009	4,335	21.7	8.1	31.6
Jeffray-Melich	1,904	2,537	2,806	32.9	10.6	47.4
Ignace	611	735	795	20.3	8.2	30.1
Alberton	498	491	642	- 1.4	30.8	28.9
Lakehead *	87,947	102,706	108,434	16.8	35.6	23.3

* Port Arthur, Fort William, Paipoonge, Neebing, Shuniah

NORTHWESTERN ONTARIO
TABLE 2
GROUP III
COMMUNITIES WITH POPULATION CHANGES -10% OR GREATER DECLINE

Community	Pop. 1956	Pop. 1961	Pop. 1966	Change % '56-'61	Change % '61-'66	Change % '56-'66
Conner	359	323	322	- 10.0	- 0.3	- 10.3
Beardmore	1,187	1,305	1,060	9.9	- 8.8	- 10.7
Rainy River	1,354	1,168	1,144	- 13.7	- 1.6	- 15.1
Worthington	184	194	148	5.4	- 23.7	- 19.6
Gillies	429	425	342	- 0.9	- 19.5	- 20.3
Atwood	459	417	359	- 9.2	- 13.9	- 21.8
Chapple	1,452	1,196	1,101	- 17.6	- 7.9	- 24.2
Blue	171	143	127	- 16.4	- 11.2	- 25.7
Kingsford	113	95	82	- 15.9	- 13.7	- 27.4

NORTHWESTERN ONTARIO
TABLE 3
GROUP II
COMMUNITIES WITH LITTLE OR NO POPULATION CHANGE

Community	Pop. 1956	Pop. 1961	Pop. 1966	Change % '56-'61	Change % '61-'66	Change % '56-'66
Terrace Bay	1,624	2,013	1,966	24.0	- 2.3	21.1
Red Rock	1,652	1,861	1,980	12.7	6.4	19.9
Nipigon	2,304	2,618	2,702	13.6	3.2	17.3
Morson	162	229	185	41.4	-19.2	14.2
Markus	972	1,119	1,106	15.1	- 1.2	13.8
Geraldton	3,263	3,375	3,658	3.4	8.4	12.1
Kenora	10,278	10,904	11,295	6.1	3.6	9.9
Marathon	2,415	2,568	2,628	6.3	2.3	8.8
Sioux Narrows	467	433	504	- 7.3	16.4	7.9
Keewatin	1,949	2,197	2,089	12.7	- 4.9	7.2
Schreiber	2,050	2,230	2,188	8.8	- 1.8	6.7
Sioux Lookout	2,504	2,453	2,667	- 2.0	8.7	6.0
Fort Frances	9,005	9,481	9,524	5.3	0.5	5.8
Lavallee	882	950	924	7.7	- 2.7	4.8
Atikokan	6,113	7,093	6,386	16.0	-10.0	4.5
Oliver	1,221	1,269	1,274	3.9	0.4	4.3
Dorion	474	557	494	17.5	-11.3	4.2
McCrosson & Tovell	285	306	293	7.4	- 4.3	2.8
Dilke	268	276	275	2.0	- 0.4	2.6
O'Connor	367	375	375	2.2	0.0	2.2
Morley & Pattulo	609	633	596	3.9	- 5.9	- 2.1
Emo	1,147	1,111	1,093	- 3.1	- 1.6	- 4.7

In the guidelines titled "Points for Consideration by Regional Development Councils in Making Recommendations for Programs in their Regions", Part I indicated that a survey would be made of existing data and programs. Because of the extensive research now underway in the northwest, it was decided to eliminate this part to avoid duplication of effort. Mention of programs however, will be made insofar as the programs emerged as relevant in the course of the preparation of this program.

2. Method

It has already been pointed out that limitations of time and budget, meant that this study would have to be based largely on public opinion. Only such statistical evidence that was brought up during the course of meetings and discussions would be introduced into the study.

The consultant was fortunate in also being able to work on a similar program for Northeastern Ontario. In that program a questionnaire was constructed and mailed to nearly 2,000 people throughout the region. Because of the multiplicity of questionnaires already being distributed throughout Northwestern Ontario in conjunction with the regional development branch's study of the area's economic base, it was not considered advisable to use such a technique. Instead it was decided to use the north-east questionnaire as the basis for a series of discussions which

were held in 11 Northwestern Ontario municipalities as well as a Seminar at Quetico Centre. A copy of this questionnaire is included in the appendices.

The meetings were designed to do three things. First they were to try to identify what people wished their region to look like, that is, what were their goals. Secondly they were to try to identify the problems which they had experienced in achieving these goals. The third task was to indicate what they thought was necessary to eliminate the problems, both from the point of view of the Province and the point of view of the region.

The discussions were broken down into 4 categories. The first concerned employment and incomes. Here questions of incomes, job security, job opportunity, labour force quality and quantity and educational facilities were discussed.

In the second part of the discussion the level of services was discussed. Thus health facilities, educational facilities, housing facilities, availability of capital, the transportation system, and other similar topics were considered. These first two parts of the discussion were designed to throw light on basic regional goals and some general problems faced in attaining them.

In Part III an attempt was made to zero in on specific problems. Here a largely sectoral approach was taken. Specific problems relating to aspects of particular industries were discussed - among them mining, agriculture, forestry, secondary industry in general, and tourism were discussed.

The fourth part of the discussion considered basic approaches to the problems of the region. It was prefaced by a discussion of what made Northwestern Ontario life different from life in other areas. This is, it tried to bring together some of the ideas discussed in the first three parts so that the context of an overall approach could be understood. Then various remedies were discussed such as urban concentration, institutional change, subsidies, and related matters.

At the meetings held in the Quetico Centre Seminar on Regional Development, it was possible to develop and refine to a priority stage the aspects discussed in the meetings held in the various municipalities. It is largely the method discussed here that will be followed in presenting the findings and the survey in subsequent chapters.

II GOALS FOR NORTHWESTERN ONTARIO

The process of goal determination is a most difficult one, which, unhappily often ends up with the outpouring of pious and meaningless platitudes that add little to the process of regional development. Yet in the process of logical deduction basic goal assumptions cannot be avoided and this study, therefore, commences with the statement that the prime goal of regional development and planning in Northwestern Ontario is to improve the quality of life in the northwest while maintaining the region's unique and desirable attributes.

This general statement has two parts one of which may be subdivided further. The first part refers to the improvement in the quality of life. This aspect is concerned on the one hand with the levels of goods and services available to people in the northwest, and on the other with the kind of economic and occupational opportunities available. The second part of the statement is concerned with the maintenance of the unique and desirable aspects of Northwestern Ontario and refers in particular to the style of life of Northwesterners as well as the preservation of the natural environment itself.

In the following paragraphs the implications of these three goals will be discussed. Although they will be presented in a one, two, three order, it should be pointed out that essentially the three goals are held simultaneously without priority.

1. Life Style and Environment

Most of the people of the northwest who were present at the meetings and discussions considered that there was a substantial difference between the kind of life they lead in the northwest and the kind of life others lead in large metropolitan areas. Moreover, they felt that the differences were worth preserving.

The first unique attribute of the northwestern life was the pace of life itself. Northwesterners generally looked with horror upon Toronto traffic jams, high-speed freeways, crowded subways, and the general bustle and congestion that much of metropolitan life entails. Many, for instance, noted that in the northwest they were able to lunch at home (something which very few people in southern Ontario are able to do). Whether or not such an objective is attained by people in all the walks of Northwestern Ontario life is not so important as the fact apparently a sizeable number of people wish it were attainable.

Another feature of Northwestern Ontario life which Northwesterners wish to maintain is what they consider to be a higher degree of community spirit and involvement than exists elsewhere. It seemed that a good number of people were involved in community activities in the northwest when compared with the number involved in southern Ontario communities. (It should be noted, however, that while the percentage may be larger it still seemed

that a very large proportion was left out.) Nevertheless the maintenance of a high degree of community spirit seemed to be a major objective and there was considerable evidence that such spirit existed.

Another life style characteristic seemed to be the determination to keep the population in Northwestern Ontario. This indicates both a strong community spirit as well as an attachment to the family - the institution which may suffer most in a metropolitan environment.

In Northwestern Ontario there is approximately 1 person for every square mile. This very low density gives a clue to the importance people attach to the great outdoors. All want access to an unspoiled, unpolluted natural environment. Most northerners seem to want to be able to be alone and recognize that their area is one of the few areas left in which this is possible and they wish to preserve this attribute.

2. Goods and Services

In general it can be said that most people in Northwestern Ontario wish to have a level of goods and services equal to or greater than the level enjoyed by people in other areas of the Province. The kinds of services which they are interested in fall into four categories, housing, education, health and recreational and cultural activities.

a. Housing

It was difficult to formulate precisely the goals in housing. In general it was suggested that safe decent housing should be provided to all of the northwest's inhabitants according to their particular needs. This meant an appropriate mix of single and multiple family developments.

b. Education

All of the people of the northwest should have access to educational facilities at all levels. In particular, the northwest should specialize in the training of people for jobs likely to become available in the northwest. No one in Northwestern Ontario should receive for any reason whatsoever, be it race, distance, or income, an inferior education to that received by people in southern Ontario.

c. Health

Medical facilities should similarly be provided on the basis of standards accepted in southern Ontario. For those facilities such as the treatment of moderately retarded persons, centres should be set up in communities so that those who require home care can receive it without having to go to other areas of the Province for supervisory assistance. The aged should be cared for in a way that will permit them to remain a part of their community. Chronic facilities should be available in such a way that loved ones can visit without incurring enormous travel

expenses. In general then, the same kinds of facilities available in southern Ontario should be available to people in the northwest.

d. Recreational and Cultural Activities

The main kinds of cultural activities sought by the people of Northwestern Ontario are not so much those that would be provided by visiting entertainers but those that would promote development of unique local talent. While some thought it would be "nice" if the Metropolitan Opera could visit the Lakehead on a regular basis they realized that this was highly improbable.

Nevertheless they did feel that some visits of some major orchestras or opera companies could be encouraged.

They also thought that all their citizens should have high access to such things as libraries, and in terms of recreation they thought that an adequate variety should be available.

3. Economic Development

At some points in the discussion it appeared that the economic development of the region was an end in itself. Indeed to many it seemed impossible to have a country such as Canada with an area as undeveloped as Northwestern Ontario smack in its centre. The economic development goal thus became a kind of national unity goal.

However, within the context of economic development essentially two things were sought. The first was a higher level of incomes particularly for the underprivileged Indian groups of the area. Second a corollary goal was for a substantial increase in the kind of jobs available, that is the people of the northwest wanted an increased number of job opportunities in Northwestern Ontario.

Although this is not the place in this study to discuss the resolution of what to any casual observer must be clearly conflicting aims it should be pointed out that the kind of growth envisaged was on the whole not enormous. In general it seemed that all Northwesterners wanted was a resolution of the above goals in the context of their fair share for Northwestern Ontario. While fair is a very difficult concept to consider, one of the problems of this survey will be to indicate if a so called "fair" approach to economic development can result in the kind of development which is consistent with the kind of goals held in Northwestern Ontario.

III PROBLEMS IN GOAL ATTAINMENT

In this section groups of goals which were outlined in Part II will be tested for performance on the basis of intra-regional differences. This part, which could involve endless study, is most important and represents the framework for the preparation of the program.

1. Life Style and Environment

a. A Pace of Life

Apart from the complaints of a number of executives, in general it was felt that the pace of life in Northwestern Ontario was at the rate which was desirable. There were fears, however, that such might not be the case for long. Only at the Lakehead did there seem to be a pace which for some people in the northwest of Ontario, but not notably for the people in the Lakehead, was too fast. Clearly the Lakehead had its own traffic problems but these seemed to be fairly well under control. The danger lies in the demands that may be put upon leaders of the community who in the process of the regionalization of Northwestern Ontario may find themselves scurrying from meetings in places far from their own locale. As a result there was considerable criticism, for instance, of the recommendations of the Lakehead Local Government Review with respect to getting to meetings. If then the pace was rapid for some people in Northwestern Ontario it was not rapid because of the work load involved in the actual

carrying out of the task, but in the difficulty of gaining access to many of the areas. The associated problem of the regionalization of attitudes emerged as simply one of distance and access. This was particularly so for communities north and south of the Trans-Canada Highway and of course in all virtually organized communities.

b. Community Spirit

As indicated earlier it seemed that the level of community spirit in Northwestern Ontario communities was fairly high. In one area where, to the writer, community spirit seemed highest, it also received the most discussion. It was argued that the mobility of people in Northwestern Ontario, and in particular of those people who live in towns in Northwestern Ontario whose future is not secure, created problems for the maintenance of a high level of community spirit. Nevertheless towns such as Geraldton or Red Lake, Balmerton or even Fort Frances whose futures are uncertain may in fact have more community spirit because of their difficulties, than towns such as Port Arthur or Fort William. Still, there is a certain stability about a place such as the Lakehead which other places with limited job opportunities cannot achieve, as a result, the spirit and leadership capacity of smaller communities is clearly threatened.

Unfortunately there is no real way of measuring community spirit, but in general the impression of this writer is that it is the towns of categories 2 and 3, that is the slow growth or negative growth towns, where community spirit, as measured by community leadership mobility, is most evident.

c. The Natural Environment

On the whole Northwestern Ontario remains relatively unspoiled. There are two aspects to be considered here. The first is that of the destruction of the actual physical environment. Water pollution problems were reported in the Red Lake, Balmerton area, around Dryden, in some of the cottage areas around Fort Frances, and around Longlac. Minor problems were also reported in the waters of Quetico Provincial Park but these seemed very minor. In health terms, the problems of Red Lake area were probably the most serious. Those in Longlac were serious in that the costs of remedying them were astronomical relative to the capacity of the taxpayers to absorb them.

It should be pointed out that a good number of towns of Northwestern Ontario lack sewage facilities, and while no immediate health threat exists in most of them, expansion of any of these towns without the concomitant installation of sewage systems could present serious health and financing problems.

Thus the problem of water pollution is largely an urban problem common to communities of all three groups but often critical in Group 3 communities. Insofar as industry extends into non-urban areas there is industrial pollution. More will be said of this in the section on housing.

Air pollution is a problem facing virtually all of the pulp mill towns of northern Ontario. While it seems serious to an outsider, most of the people living in the areas of such mills have learned to live with the smells and as a rule do not find them objectionable. Indeed, they are wont to call them "the smells of prosperity".

Still on the subject of pollution and waste material many northerners were concerned about litter along the highways and in the parks. On the whole they felt that this was a problem generated by careless campers and tourists.

The second problem relating to environment concerned wild life. Increasing tourist use of northern Ontario's fish and hunting preserves have created what were considered to be acute shortages of fish and wild life. In particular, the Lake of the Woods region was pointed out as an area with a shortage of both moose and fish. Almost every area reported a decline in the moose population. Officials from the Department of Lands and Forests suggested that such declines

were exaggerated but nevertheless the public believes that the spot counts conducted by the Department do not represent a true picture.

2. Goods and Services

a. Housing

The housing problem was one which seemed to exist in every community visited. The deficiencies related to the quality of housing in the sense of the actual physical condition of the building and to the quantity of housing in the sense of the supply of various types of housing to meet the needs of the different sizes of households requiring housing.

i. Condition

The worst housing conditions in the northwest existed in the unorganized territory, in Indian Reserves, and in areas occupied by Indians within or just outside of towns. In such areas a good house was the exception rather than the rule. Quite commonly a house was no more than a one or two room tar paper shack and in some cases a wooden shack without tar paper. Houses with dirt floors are not uncommon. Indoor plumbing and sanitary facilities are often lacking, and in some cases where they exist both septic bed and water well sit on tiny lots creating serious health hazards.

Apart from the plight of the people mentioned above, most homes in the northwest are in reasonably good condition and in general "blight" in the urban renewal sense is not a problem. It should be pointed out, however, that exterior maintenance standards, partly because of the large use made of wood, are lower in Groups 2 and 3 towns than they are in the Group 1 towns. This may, however, reflect local value systems more than anything else and is probably in most cases not a problem of major concern. Where the problem of urban blight has become fairly serious, such as at the Lakehead, steps are now being taken in the two Lakehead urban renewal schemes to remedy the situation.

For the populations living in organized territory, the main problem then is not building conditions but services. As was pointed out earlier, many towns lack municipal water supply and disposal services. In Red Lake the water supply and disposal system does not extend to the developed area of the town and the situation arises that new and fairly expensive homes are sited on lots of three to four thousand square feet containing both a well for water supply and a septic bed for disposal.

This lack of services is a direct function of the high cost of servicing land, and is incidently, a factor in

limiting the size of northern Ontario municipalities. A case in point is Longlac, mentioned earlier, where additional housing is required to satisfy the housing requirements associated with the Weldwood Plant but this would bring about an addition of \$300.00 to the tax bill of the people who would receive services. Even under the Ontario Water Resources Commission rental scheme this kind of cost is prohibitive to a municipality the size of Longlac.

ii. Quantity

Every area visited indicated a deficiency in the total supply of housing, although in some areas it seemed that the supply of housing was adequate for the existing population but not adequate for its expansion.

The greatest deficiencies appeared to be in rental housing. This was so in all communities including the Lakehead. As a rule there were few, if any, apartments for family people coming into an area either as temporary employees or trying to build a nest egg with a view to the purchase of a house.

Several factors were responsible for this condition. In the Lakehead itself the main factor seems to be a lack of supply of local capital - even in the relatively small amounts required by the Central Mortgage and Housing Corporation. Outside the Lakehead particularly in the Group 3 towns and of course in the unorganized territories,

C.M.H.C. capital was not available and housing capital virtually non-existent.

Relative to the size of the communities, house prices seemed fairly high. A new house in the Lakehead costs only \$3,000.00 to \$4,000.00 less than one in Metropolitan Toronto despite the very high land costs in Metro. Such prices are a function of transportation costs, the high cost of materials, and the small scale of building operations which meant that economy of specialization was not possible. As one moved further away from the Lakehead, the significance of these factors increased. Furthermore, in towns such as Nipigon, which might normally be considered to be part of the Lakehead area, it was necessary to import labour from the Lakehead and either provide them with homes or pay their transportation thereby considerably raising construction costs. In towns further out small but relatively effective construction companies existed resulting in the paradoxical situation that people living 60 to 75 miles from the Lakehead would be likely to pay more for their homes than people substantially further away.

b. Education

Education was one service which many Northwesterners felt was in some ways too good. Not that they did not believe in a great deal of education, but rather they noted that it was

education that was permitting their youths to leave the northwest. Despite this paradox few, if any, Northwesterners were willing to argue that the educational effort should be reduced just to keep people in Northwestern Ontario.

The quality of educational services is uneven. At the public school level of education services were considered good. The major problem being that there was always a difficulty in obtaining and holding teachers despite the higher salaries in northwestern public schools than in other areas in the Province. In one case it was noted that there would be a 100% teacher turnover in a five year period. It was not clear whether or not people in unorganized areas, particularly Indians, had easy access to public schools.

It was at the secondary school level where courses become more specialized that most of the problems of education emerged. Very few high schools in towns below 4,000 to 5,000 people could offer the variety of courses that the Department of Education hoped to set as its standard. This was so at all streambed levels. It is clear that a high school with under 500 students can hardly offer the course variety a high school two to three times its size might. Even if it could, the regulations of the Department of Education which call for a school of at least 1,200 students before vocational courses can be offered, would prevent it from becoming a vocational school. It is interesting to note that because of the

peculiar constitutional difficulties associated with the education of Indians, some areas, among them Sioux Lookout, which might be able to generate enough students to support a vocational school cannot because the Indians are not integrated into the system.

The result of all this is that anyone who lives in a small town and desires courses of a somewhat specialized nature must be willing to spend a great deal of time travelling each day to school. It is not uncommon (and with the increasing centralization of high schools under the new policies of the Department of Education it is not likely to become any less so), for students in Northwestern Ontario to spend three hours a day travelling to and from school.

In addition to the above problems, all the problems that exist in the public schools associated with high teacher turnover exist to an even greater degree in the high schools.

To summarise, at the secondary and vocational school level, a good number of communities lack the educational facilities to train their youths without sending them very far away, or to provide a supplementary training that might be required by a new locating industry. These problems become more severe as the communities considered get smaller.

It is only recently that higher educational facilities have become available to people of Northwestern Ontario right in

their region. Although the Lakehead University is a significant milestone in the educational history of the northwest, the university has still many shortcomings. To begin with over 100,000 of the people who might use its facilities live at least 200 miles away. This means that the Lakehead University is just that, a university for the Lakehead cities. Secondly, the university does not offer the full complement of courses offered at other and larger universities. At present it offers only pass arts courses. No professional courses, engineering, medicine, etc., are offered and, as a result, the university lacks depth. The effect is to force many Northwesterners, even those desiring courses offered at the Lakehead, into other universities.

While it seems justified to encourage people from Northwestern Ontario to use the Lakehead University wherever possible, it also seems reasonable that those who choose courses that are not offered at the Lakehead University should not be discouraged from attending other Universities. A kind of "disincentive" to pursue other courses elsewhere exists in the heavy maintenance and transportation costs involved in sending a student out of the region.

Finally, and this is applicable to vocational training as well, there is the ever present problem of distance. It is

probably not reasonable to expect people working all day to travel more than 20 miles, particularly in winter, to night classes. In conversations with people as near to the Lake-head as those who live in Nipigon, the one-hour drive over roads of uncertain conditions, seemed an insuperable barrier to the pursuit of higher education. As a result many fail, drop out or just do not start.

c. Health Facilities

There was little evidence of ill-health in Northwestern Ontario. Indeed to this writer most people in this area seemed healthier than their southern smog-breathing counterparts. The situation among the Indian peoples of the north is probably somewhat different, what with the bad housing (described above), low incomes, poor diets and the generally unsanitary conditions under which many live.

It is perhaps a backward approach to use the existence of medical facilities and services as an indicator of an area's physical health, but it is clear that on almost every count the people of Northwestern Ontario, particularly those living in the smaller towns and the towns of category three have poorer facilities than do people in southern Ontario.

Almost all municipalities had the services of at least one general practitioner although unorganized areas had relatively poor access to such men. Of a more critical nature, was the

short supply of dentists. Most towns, particularly those with populations below 3,000 and/or in category three, lacked dentists, had too few dentists, or faced the prospect of a shortage or a complete disappearance of dental services. It should be pointed out, that from all accounts the touring dentist services, are not entirely adequate, these being largely tooth pulling, rarely tooth filling and virtually never, total dental services.

As one moves up the scale of medical services, one finds that population sizes of less than five or six thousand seem unable to support the kind of ancillary services that doctors require. Thus, hospitals were barely adequate in towns drawing on populations of 5,000 and were not really well equipped anywhere outside the Lakehead. Even at the Lakehead there was a serious shortage of facilities for the care of the chronically ill which meant throughout the north these people had to be sent many miles from their families for treatment.

Akin to the treatment of chronically sick persons, is the treatment of the mentally ill.* This treatment is rarely provided in Northwestern Ontario despite the herculean efforts of many groups in many towns.

The unavailability of services is a function of size. A small community may not be able to support a dentist and where

* It seems that there is an alcohol problem in Northwestern Ontario of greater proportion than elsewhere in the Province. Whether or not this is coincidental is unclear.

it can, may not provide him with the kind of professional camaraderie so valued by professional people. Again it may not provide him with the kind of facilities that he needs.

Size notwithstanding, there is some evidence that there has been a failure to take advantage of the scale economies that might be available. Again in the case of the Indians, there has been a tendency to operate separate hospitals relatively near to each other where one might do. A case in point is Sioux Lookout, but, even among white communities a similar tendency has existed. In the Red Lake - Balmerton area the mining companies have set up their own hospital facilities, serving their miners well, but not really taking advantage of the scale opportunities that they could have.

d. Recreational and Cultural Facilities

The concept of recreation and cultural activities is an elusive one which for purposes of this report will refer to all leisure time activity. The subject can be divided into indoor and outdoor kinds of activity. The latter of which was dealt with under considerations of the natural environment. Indoor recreation may be further subdivided into participatory and non-participatory types of activities.

The impression was, that on the whole, the opportunity available for participatory recreational activity was high relative

to opportunities existing in other and larger centres of the Province. Such facilities as curling rinks, general recreation centres and hockey arenas were relatively common particularly in those towns in which the major industry had taken an active interest in the actual building of the town. As noted earlier there was a high community spirit in most towns and such spirit seemed to be a function of the opportunity to participate in a variety of activities at a fairly responsible level. Unfortunately, one can only guess at the relative amount of opportunities for participating in the cultural and recreational facilities in Northwestern Ontario communities as opposed to other communities in Ontario. It seems, however, that in Northwestern Ontario there are probably more opportunities to participate even if the variety of opportunities is smaller. Thus, few communities have acting or art groups, activities which can always be found in major centres, such as the Lakehead. The deficiencies in facilities are evident even at the scale of such publicly run operations as libraries. It is the lucky community that has a well-stocked library.

It should be pointed out that while recreational and cultural facilities and activities appear to be quite good it is probably only good in the organized communities. Unorganized communities almost by definition, probably lack any but most rudimentary kinds of indoor

recreational facilities. As with other areas of Northwestern life it appears that size has a great deal to do with facilities. As a rule company towns, no matter what their size, and other towns with populations over 5,000 seem to be best off. The substantial differences in quality and quantity, however are not between towns of 5,000 and 10,000 but between all towns and the Lakehead area. While we have no information on the index of participation in the Lakehead as compared to other towns in Northwestern Ontario, it seems clear that the variety is much greater. The advantages of size are probably most evident in non-participatory recreational and cultural activities. Although during centennial years communities such as Manitouwadge and Dryden are able to attract touring groups because of subsidies from the Canada Council and other such organizations, on the whole, high calibre entertainment is limited to the Lakehead itself with occasional forays by some groups into the rest of the region. Even with 100,000 people it was clear that the Lakehead had difficulty also in securing a continuing variety of leaders in the North American entertainment field.

3. Economics

In the Introduction it was pointed out that the economic aspects of Northwestern Ontario would be considered from two points of view. The first concerns the performance of the economy in terms of the economic power of individuals. The second concerns a sectoral treatment of the economy in terms of

the relative performance of economic activity of North-western Ontario. Although these two aspects are closely inter-twined, they will be treated separately - this section dealing with personal economic power and section 4 with sectoral performance.

In this section there are two aspects to be considered. The first concerns the actual command over resources a man's income permits him to have. The second considers the opportunities he has for exploiting his own economic abilities.

a. Incomes

Most people in Northwestern Ontario consider that affluence is widespread when compared with other regions in the Province. As a general rule they felt that jobs of like skill, commanded incomes similar to or better than those in southern Ontario. While this was so for workers at the production end it probably was not so for office and administrative workers whose salaries were substantially less than their counterparts in southern Ontario.

The big differences in affluence seem to be between organized and unorganized communities - in particular the Indian reserves. Incomes in unorganized areas are probably substantially below the average for the region. Indeed many people may have no income besides welfare. (As a general rule it is probably safe to say that their incomes are not known, and consequently are not incorporated into the published statistical material.

Therefore they do not accurately reflect the overall average for the region and this makes any averaging method for the region suspect.)

Another feature of income which cannot be overlooked is the importance of remembering that in terms of goods and services real income is probably substantially lower than the figures might suggest. A survey conducted in Winnipeg indicated that the cost of living for an average family is approximately \$1,000.00 higher than in Southern Ontario. Estimates of real income are, of course, extremely hard to come by and make any statement of this nature extremely tentative.* Nevertheless the dollar value of income is probably lower than in southern Ontario (at least outside of the Metropolitan Toronto).

b. Opportunity

It is with the variety of economic opportunity available to them that Northwesterners are most concerned. Except at the Lakehead where there is a considerable variety of job options, for the most part the one, two and three industry towns in Northwestern Ontario provided little scope for anyone not wishing to become involved in the production end of the operations of these few industries. Paradoxically, although there was a shortage of professional people, teachers, doctors, etc., the total number of opportunities at any given place or time in relation to the total population and the numbers of

However, preliminary D.B.S. comparative price index statistics (using a simple averaging method) suggest otherwise

*Montreal	Toronto	Halifax	Ottawa	Winnipeg	Edmonton	Vancouver
103.1	100.7	101.8	101.3	100.0	98.8	104.1

people wishing to pursue these occupations, was extremely limited. In the midst of a shortage of highly qualified persons there was a lack of real opportunity for such people in the northwest. Even if a man were happy with the limited choice of employment opportunities, he must be dissatisfied with the terms under which he would enter employment in organizations, long established and attaching great importance to seniority, thereby substantially reducing upward mobility.

It should be pointed out that although job opportunities are very limited in all but the Lakehead, even in the Lakehead, an area of only 100,000 people, there are serious limits in upward mobility as well. While we will deal with the specific industries in a later part of this report, it should be pointed out that this applies largely to people who would be employed rather than people who would set up their own operation, for, the opportunities for entrepreneurial endeavours seem to be considerable.

For many, just as important as the question of alternative opportunities of employment is security of employment. Clearly, if only a few jobs are available one has to plan his life around employment in only one or two firms. Should the life of this firm be threatened as with the gold mining industries of Red

Lake, Balmerton and Geraldton, clearly his position is not secure. Indeed, a good many of the people in Northwestern Ontario, perhaps more so than in other parts of Canada, work in industries whose markets are foreign and to a certain extent unpredictable.

The price of products of these industries is inelastic. Expansion often depends on investment which will minimize labour inputs reducing the opportunity for further employment and advancement. A person growing up in most of the areas of the northwest finds it difficult to see himself employed in an occupation with a good future and the tendency is for him to leave the area in search of better opportunities. This lack of job opportunity breeds a certain amount of insecurity, particularly for the younger portion of the population.

4. Sectoral Economic Problems

a. Primary Economic Activity

i. Agriculture

The short growing season and dominance of the Canadian shield limit agricultural activity in the main to the areas around the Lakehead the Rainy River Valley and the Lake of the Woods. Consequently, agriculture plays a minor role in the economy of Northwestern Ontario.

Until recently even the agricultural activity of these few areas has been on the decline. The small farms, viable many years ago, can no longer support a man and his family. As a result, many farms around the Lake of the Woods area and west to Rainy River along Highway 71 have fallen either into disuse or have been abandoned. Around the Lakehead where some truck gardening is still carried on, the situation is similar.

Only two agricultural activities seem to have a future in Northwestern Ontario. One of these is cattle raising and the other wild rice. Of the two, the former is much the more significant.

Cattle are not so disturbed by early frosts nor is the grass and fodder which they eat. The recent grain feed subsidies have made it possible for northwestern cattle farmers to get grain at prices competitive to cattle

raisers in other parts of the country. In addition, an abattoir has been established along with a Government Grading Station in the Lakehead making it possible for cattle raisers in Northwestern Ontario to market their product in the northwest. However, despite these improvements, the growth in cattle raising has not been as great as one might have hoped.

Apart from the general climatic difficulties, there seem to be two causes for this. There appeared to be a shortage of capital for the consolidation of small farms into large ones capable of feeding a herd, and affording scale economies of operation. A less frequently given reason, but one with perhaps as much validity, was the seeming shortage of entrepreneurs. This in turn, may be a function of a fear of the lack of a local market which of course reflects a general problem throughout the Lakehead. In any case, on the capital side, the unwillingness of banks, or the Farm Improvement Corporation, to advance money for farm consolidation and the lack of entrepreneurial talent seem to be major draw-backs to the expansion of the cattle industry in the Northwestern Ontario.

Another agricultural activity frequently sighted as having a future is wild rice. This is a crop which grows wild and which can be harvested at little expense by

Indians. It, therefore, provides considerable supplementary income to these people as well as being a regional export. There seems to be a difficulty in the competitive position of this product, in that, wild rice grown in Ontario can be exported to Manitoba, but Manitoba rice cannot be exported raw and unprocessed, into Ontario. This system seems to be favouring the Manitoba producers and processors.

Apart from these crops, there are really no other crops with any future in Northwestern Ontario. There have been some proposals to re-establish the small blueberry potential on islands in the Lake of the Woods region. It is not clear that the clearing involved would yield benefits commensurate with the effects on the tourist industry.

ii. Fishing and Trapping

Increasingly, Northwestern Ontario's contribution to the commercial fishing and trapping industry in this Country is a declining one. Rather these two relatively abundant resources of the northwest are being used to attract tourists to the region on the assumption real or unreal, that the tourist industry is more lucrative and generates greater employment. On the whole, then, as a commercial activity fishing and trapping is unimportant. However,

even for the tourist such a resource has to be preserved but, as indicated earlier in the section on Natural Environment, it is apparent that not only in the Lake of the Woods area, but in other areas as well, both the fish and moose population is a declining one.

iii. Forestry

Along with mining, forestry rates as the most important resource input in Northwestern Ontario. A large number of paper mills and lumber companies have established in Northwestern Ontario, largely because of the enormous suppliers of wood. The harvesting of forest products and the manufacture of such products is found virtually in every part of Northwestern Ontario. Indeed, the exploitation of timber limits has been pursued virtually to the end of the tree line.

The vast aerial extent of the forest industry provides a clue to many of its problems. The isolation of the lumber camp traditionally meant that the men working in the bush could only be had at very high wages. It has also meant the construction of an enormous number of roads which, despite government subsidies, still represent a considerable cost to companies working in the region. Since the price of the products produced from wood is highly inelastic, the Canadian woods' operations suffer

sharp competitive disadvantages as a result of their isolation. Thus, in the American market, the main market for Canadian products areas such as Minnesota and the southern United States with better access both to markets and to people, as well as superior and already built road systems, have a distinct competitive advantage. The Canadian product, as a result, fills a residual supply role, and its demand fluctuates with the ability of American sources to supply local markets. The lower profit margins of the Canadian operations, therefore tend to discourage further capitalization and exploitation of the areas' resources.

It should be pointed out, however, that the argument presented above points up the need for a better understanding of the competitive advantage that firms in Northwestern Ontario have or have not, not only in regard to their production techniques but in terms of the cost of such things as roads, trucking facilities and other aspects which could put them at a disadvantage relative to international producers. Thus, we are talking here, not just of the productivity of labour, but of the return on investment.

A number of people suggested that a regulation concerning timber limits was hampering the fuller exploitation of the

wood resources. The argument was that because timber limits are assigned on an aerial basis and included all trees growing on the limits, it meant that where, as was common, a company choose only to exploit a given type of wood, the remainder of the trees would not be used. This, it was argued, constituted a waste of resources.

In addition to the complaints on the under-utilization of given tracts of forest, there are also complaints about the tardiness of some companies in opening up certain tracts. Thus a company can hold an area as a hedge against further increased demand, or, as some people suggested, against competition. The result is a lower rate of exploitation.

In addition to the problems mentioned above, there seems to be also an information problem. Many pointed to the lack of a fundamental knowledge of the quality and quantity of the woods' resources of Northwestern Ontario. One person questioned whether the statements frequently made by the Department of Lands and Forests that there is an unlimited supply of wood in northern Ontario were valid when seen in terms of the kind of wood that would be demanded.

There was also criticism of the efforts being made to reforest cut down areas. Although the argument was not

that great areas of land were being laid waste, it was suggested that a more serious effort might be made at reforestation. It was generally felt that there was a net loss in any given year of forest products.

iv. Mining

A considerable proportion of Northwestern Ontario's economic base rests on the mining industry. Essentially three different kinds of products are mined in Northwestern Ontario, gold, base metals such as copper and zinc, and iron.

Gold

Gold is now mainly mined in two areas of Northwestern Ontario, - Red Lake - Balmerton and Geraldton. Both these areas, even more so than the other one-industry towns in Northwestern Ontario, have suffered from the fluctuating fortunes of the gold mining industry.

The basic problem with gold is that in almost every mining operation, it is an increasing cost industry facing a fixed market price. The high grade ores are long gone and fewer and fewer ounces of gold are procured from a given effort. A vicious cycle is in progress. Because of the lack of high grade ores, it is necessary to make large capital investments to extract sufficient ore to get a product

worthwhile refining, but if the price of gold will not rise, the investment on the scale required is not warranted. The net result is a failure not just to make the technical innovations necessary to improve the efficiency of the mine, but to make the investment necessary to maintain existing equipment. Apparently, a number of mines are unable to put aside sufficient capital to allow for depreciation with the result they are in effect spending their reserves and putting off the day when enormous expenditures, expenditures which they probably will not be able to afford to make, will have to be made. While virtually all mines face these problems those in Geraldton seem to be furthest advanced on the road to actual closing. Indeed, as has been the case for the last decade, there is no guarantee that the remaining mine at Geraldton will remain open for more than several years. As one person put it, after he listed a long list of remedies for the securing of the economic base of the Red Lake area, "give us a \$100 price for gold and you can forget about the rest".

Base Metals

One way out of this spiraling downward future of gold-centred areas may be the exploitation of base metals such as copper and zinc which are often found in close proximity to gold mining sites. Thus, the Cochenour Mine at Balmerton, has

for the past several years been exploring possibilities of getting into the base metal field with encouraging results.

At Manitouwadge, three mines, the Geco, the Wilroy, and the Willecho have been established over the past ten years to produce base metals. The result has been a brand new townsite with almost an unlimited future fully serviced and efficiently laid out.

Whether or not there are other areas (Geraldton?) which might be able to shift to base metals is not clear.

Iron

For a long time the iron ore produced in Northwestern Ontario, particularly at Steep Rock near Atikokan has been among the highest quality in the world. The iron resources of the northwest seem virtually unlimited.

Apart from the Steep Rock and Caland Mines at Atikokan, there is the recently opened Griffith Mine at Bruce Lake between Ear Falls and Red Lake supplying the Steel Company of Canada.

The question often arises as to why it continues to take so long to exploit the vast high grade potential of Northwestern Ontario's iron ores. The answer is not dissimilar to the situation which seems to prevail in

the forestry industry. That is, in the competition for investment capital the northwest appears to come out second best when compared with the opportunities still existent in the much lower grade ore areas of the United States. There appear to be three reasons for this.

The most important is the isolation of the mining sites and the necessity to invest huge amounts of capital to develop not only the mine, but a mining town. Even a poor grade ore if it has a good location may be cheaper to mine than an ore located in Northwestern Ontario.

Another problem is the perennial northwestern one of transportation costs. Potential mine sites are generally in inaccessible areas where there is usually neither a road nor a rail servicing the area. Thus, a company has to convince one of the major railways to provide them with rail service, tracks and special ore cars. Because of the monopoly situation in which the railway finds itself, it seems that it is possible for them to set prices which have nothing to do with the actual cost and are, as a result, substantially higher than they might be or need to be under a competitive situation. It should be pointed out that in the United States a proliferation of railways has meant that there has always been competition for the right to transport mining products. The result is again, that there

large proportion of manufacturing in Northwestern Ontario. However, even here much of the product undergoes further processing outside of the region. This is so with lumber and it is also true with almost all of the region's metal production. Indeed, apart from the Lakehead and a few isolated cases, almost no manufacturing beyond that already mentioned and beyond the kind of manufacturing that serves only a very local market, is carried on in Northwestern Ontario. There are two reasons for this, both of which are interrelated.

On one hand, the region has too few people and on the other, the resources of its people are too spread out to take advantage of its own numbers. This factor of low density in turn generates deficiencies in a large number of areas. In the following sections, we will deal with 8 major problems facing industry in northern Ontario. These include the quality and quantity of the labour force, the supply of entrepreneurial talent, the availability of markets, transportation services, the supply of capital, the quality and quantity of the facilities which serve industry, print shops, foundries etc., and in general the quality and quantity of municipal services and other services such as housing dealt with earlier.

i. Labour

Any manufacturer, outside of the Lakehead wishing to employ a significant number of people, say 10, has to

bring his men with him. The outlying areas have almost no surplus labour, skilled or unskilled. As mentioned earlier, the Indian labour supply is theoretical only and has not yet been brought into the labour market.

In addition to the labour supply being scarce, it is also relatively high priced. Unionism has always had a strong base in northern Ontario and the result is that on the whole there is no cheap labour available in Northwestern Ontario. It should be pointed out that the female population, a population which probably wants to work and which has been shown to want to work in both a Lakehead survey and at the Nipigon plant of Multiply Inc., is largely unexploited. Generally however, the labour force is both scarce and relatively expensive.

From the point of view of strike threats unionization may also operate as another disincentive to locate in Northwestern Ontario. The region has recently gained an unenviable management-labour relation reputation, a reputation to a large extent made possible on the one hand by the lack of alternative opportunities in employment and on the other by the shortage of labour both of which act to enhance the monopoly position of both union and employer.

ii. Entrepreneurial and Professional Talent

On the whole there is probably no shortage in the region of access to such professionals as accountants and lawyers, although obviously in some areas the position is somewhat weaker. The real shortage appears to be one of entrepreneurial talent. For reasons which are related to the items under discussion here, but perhaps for other reasons which are not really known, the feeling of people attending meetings and discussing the problems of Northwestern Ontario was that the Northwesterner although a pioneer is not a "risk taker".

iii. Markets

The small population of Northwestern Ontario means that the locally generated market for goods will be quite limited. Only at the Lakehead is there a significant market, and even there the market is small. The situation deteriorates further because of the dispersal of the Northwestern Ontario population. To penetrate the entire 250,000 person northwestern market, goods have to travel a distance equal to a distance from Detroit to Montreal, an area providing a market of 10 million people.

In addition to the internal difficulties of market size there is also the difficulty of access to external markets, for northern Ontario itself is a substantial distance from major North American markets.

iv. Transportation

It is perhaps an oversimplification to say that the difficulties outlined in the preceding sections relate wholly to transportation. Nevertheless there is considerable truth in the statement.

Internally it is only recently that the region has had a road system linking all municipalities with the Lakehead. Much criticism is still levied at the quality of these roads. Inter-municipal roads between points outside the Lakehead, particularly between points either in the west or in the east of the region are still undeveloped. In cases where there are roads, the roads are either impassable for a good part of the year, or where owned by mining companies or logging companies, they are subject to closure at any time. It should be pointed out that for a vast number of Indian communities there are no roads aside from the railroad leading into or out of their communities.

But highways are not the only way of transporting people and goods. Where the distances are great the fastest way is to fly. Air transportation is relatively undeveloped in Northwestern Ontario even though in places like Red Lake it was the availability of air transport that opened the area up. Many municipalities have landing strips for

private planes either municipally run or associated with the main industry of the town. Most of the landing strips however, are not large enough for commercial flights and even if they were, probably would not be able to attract commercial flights.

Initially, it has been the railway which has provided the main source of goods transportation in Northwestern Ontario. Increasingly, the railway is phasing out of the passenger carrying business to the serious disadvantage of communities without other means of transportation or which might be better linked with the Lakehead by commuter services. Perhaps more important than the phasing out of passenger operations is the monopoly position which the railways enjoy which enables them to charge higher rates for given quantity of goods than they might be able to charge were there competition.

From the point of view of external transportation the picture is similar. Only at the Lakehead do flights to the south and east of Northwestern Ontario originate. There is a daily flight from Red Lake to Winnipeg, but only one flight a week from Red Lake to Fort William. The recently announced program "Highways in the Sky" may encourage the establishment of airports and subsequently make possible more commercial flights to municipalities between Kenora and Fort William.

While there appears to be adequate railway facilities leading into and out of the region the location of the region means that enormous distances have to be covered.

These distances not only cost money from the point of view of the lengths of the trip, but since there is a small market for goods going into Northwestern Ontario, cars have to come back empty, thereby raising the initial transportation cost.

All roads into and out of the region are numerous enough, but as noted earlier the construction standards and the capabilities of these roads are not compatible with the high speeds associated with the distances that have to be covered.

v. Capital for Private Enterprise

An inquiry into the adequacy of the capital market in Northwestern Ontario can be looked at in two ways. On the one hand the needs of businesses already in Northwestern Ontario and the needs of businesses wishing to locate in Northwestern Ontario can be considered. Conceptually one can measure the existing demand and determine whether or not the supply is available. Treating the question this way concentrates largely on present needs and avoids the question of whether or not greater amounts of capital are required to achieve developmental

objectives within a larger goals framework. We will refer to the first kind of capital as normal capital and the second kind as development capital.

a. Normal Capital

At a conference held in Dryden by the Northwestern Ontario Associated Chambers of Commerce a discussion was held on the availability of capital to meet the needs of Northwestern Ontario. This discussion, which included local financiers as well as representatives from the Industrial Development Bank and the Ontario Development Corporation, dealt largely with normal capital requirements. As a result the discussion not surprisingly came to the conclusion that for the most part the capital market, be it located in Northwestern Ontario, in Toronto under aegis of the private market, the Province of Ontario or the Federal Government serves the needs of Northwestern Ontario adequately. When only manufacturing and secondary industry in general are considered it is difficult not to agree with the basic premise that the supply of capital is equal to the demand, with the following qualification.

For firms starting up, there is probably a deficiency in the availability of working capital. Thus the Ontario Development Corporation, (O.D.C.), while it will provide assistance in Management Consultant Services, may not provide working

capital. On the whole, neither will the local branches of private provincial and national financial institutions. Since the seeker of working capital is often a small operator new to business, it is essential that there be institutions with an interest in the region willing to take risks based on personal knowledge. Such local institutions, locally based as trust companies, do not exist in Northwestern Ontario.

It is not clear why in the face of what seems to be a real need, such institutions have not been established. It could, of course, be that they really are not needed. On the other hand, if they are, then one must assume that the failure of the private market to perform is largely a function of the lack of entrepreneurial talent and willingness to take risks that was discussed earlier. The abortive attempt by several leaders of the Northwestern Ontario business community to establish a trust company several years ago seems to bear this out.

b. Development Capital

The demand for development capital is largely an intangible, and one of those things which really depends on how quickly beyond the pace of private enterprise one wishes to develop. The quicker one wishes to proceed the greater must be the risk taken by someone - usually the issuer of capital. Again the quicker one wishes to develop within

the framework of private enterprise, the greater must be the advantages of investing in Northwestern Ontario as opposed to investing elsewhere.

Although there is a distinct lack of knowledge of the competitive position of the Northwestern Ontario forestry and mining industries vis a vis areas neighbouring the northwest, and the same is probably true for other industries; time and again during the discussions, the point was brought up that there were very few advantages to investing in the northwest instead of such areas or even in other areas of the Province. It seemed that the word equalization in the Ontario Government's Equalization of Industrial Opportunity Program, had been overstressed and that the forgivable loan system of this program gave only the smallest of advantages to the Northwestern entrepreneur who was put on virtually the same footing as investors in two hundred other municipalities in southern Ontario. Indeed when it is remembered that Northeastern Ontario and Manitoba are favoured by the Area Development Agency's program, one might say that relatively speaking, Northwestern Ontario operates at a disadvantage among the underdeveloped territories of northern mid-Canada.

This statement about the availability of development capital does not rest on an observed supply deficiency for development nor is it countered by the apparent low demand as indicated by the small demand for O.D.C. money. The point is that inducement capital is required so that the risks to the entrepreneur are made so low that he would overlook most of the disadvantages of investing in Northwestern Ontario on the premise that he would be part of a development that would ultimately eliminate such disadvantages. It should be pointed out, however, that the mere availability of capital is no substitute for the development of entrepreneurial talent.

vi. Services and Supplies to Industry

One of the disadvantages facing prospective northern industrialists is the undeveloped supply systems of the specialized kinds of goods and services that he needs. A person choosing to build a factory may find that he not only needs to import workers to build the factory, and maybe even run it, but when it comes to specialized maintenance of his equipment, he may have to go to the Lakehead or even beyond. Even less skilled services, such as caretaking for example may not be available. There may be difficulties in prompt delivery of office equipment or gaining quick technical advice or computer and other programming information. In short, the Northwestern Ontario businessman operates in a milieu of

shortages which might make existing businesses more profitable and future businesses more likely.

In a general way, these deficiencies are largely functions of the size of Northwestern Ontario communities. To what the scale would have to be increased is not clear but it is certain that to provide such services the scale would have to increase substantially. Otherwise, the only kinds of industries that can be attracted to Northwestern Ontario are those industries which are sometimes termed "footloose" and which every underdeveloped area in Canada, and for that matter the world, is constantly running after.

vii. Urban Services

In the previous sections we have dealt with the deficiencies of many of the services available to northwestern communities. The inadequacies of these services do not just produce discomfort for the people presently living in Northwestern Ontario; the lack of housing, the narrow range of educational facilities, the lack of variety in recreational and cultural activity, and even the small sizes of the towns themselves, act as powerful deterrents to serious consideration of location in the northwest on the part of many industrialists. These should not be underestimated, for in many cases the decisions to locate

are not ultimately made in presidential boardrooms filled with directors but in presidential parlours attended by presidential wives.

c. Tertiary Industry

This group of activities is commonly referred to as the Service Sector. It includes many of the activities referred to above in the discussion on service levels and as a result there is no need here to reconsider the problems facing the region in supplying an adequate level of professional, educational, recreational, and other such services. But one part of this Sector deserves considerable discussion, that part is Tourism.

Most people in Northwestern Ontario are aware that Tourism in all its forms is already one of the major employers and generators of income in the region. The recent study prepared by the firm of Keats, Peat and Marwick on the western portion of the region, confirmed this view.

Discussions on tourism seemed to centre around two themes. The first related to the environment; the second to the supply of various types of facilities to exploit the large and potential demand throughout North America for the Northwestern style of recreation. It should be pointed out here that while all areas of Northwestern Ontario do not have the same amount of natural

tourist type attractions most have something to offer and therefore to a greater or lesser degree the comments made here are applicable to the whole region. Thus, while the Lake of the Woods area clearly has substantial advantages over other areas of the region, areas such as Nipigon should not be underestimated.

i. The Environment

Northwesterners recognize that as an attractor of tourists their natural environment is their greatest single asset. They realize that the unique part of Northwestern Ontario is the relatively unspoiled wilderness replete with large quantities of fish and game. They also realize that despoilation of the wilderness would deprive them of the ability to maintain and expand their tourist market. Accordingly, as was mentioned earlier in the section on environment, many are worried about the increasing shortages of moose and fish throughout the region. Indeed many have gone so far as to suggest moratoriums on hunting and the restocking of lakes. Others have noted that in some areas hunting is so intensive that it has become dangerous. Still others have observed that increasing use of the woods has meant increased litter. Finally, many are worried about the increasing pollution of waters in resort and cottage areas. Clearly, the general opinion then is that the unspoiled natural environment of the north is threatened.

ii. Tourist Facilities

Just as service facilities in Northwestern Ontario are generally underdeveloped so also are tourist facilities in the region. These facilities can be divided into two groups; facilities which are generally provided through the public purse and facilities which are generally provided by the private market.

Publicly supplied facilities are of uneven quality and quantity throughout the region. In some cases they are so located that advantage is not taken of all possibilities for exploitation of the region's natural recreational assets.

One example of a service not using its full potential is the road system. One of the main goals of road building in Northwestern Ontario has been to make it possible for people to travel as quickly as possible within the region. However, roads which go through scenic areas and are so sited as to better exploit such areas often encourage the tourist to stop and look, and perhaps stay, without perhaps significantly slowing up through traffic. On the whole Northwestern Ontario roads provide very few scenic points relative to the number of such points available. A striking example is

found on Highway 71 between Kenora and Fort Frances. This highway cuts across country but could have been diverted to skirt the shores of the Lake of the Woods affording considerable scenic value to the traveller and providing good sites for tourist development.

In addition to neglecting scenic aspects, basic human comforts are little heeded along the road network. Notably lacking are roadside rests. Also scarce are public camp grounds, leaving campers no choice but to set up on the ends of roads, endangering themselves as well as littering the countryside.

But if there is a deficiency in the supply of public services to the tourist industry, there is also a deficiency in the supply of private facilities. No area really provides a kind of multi-recreational facility that might for instance provide swimming, historical visits, fishing, hiking, and shopping all in one spot. Rather the resort areas are relatively specialized and accordingly deal with a more specialized and consequently more limited market. In an area with a cool climate one might expect winter sport facilities to abound. Yet, they do not, and even though Northwestern Ontario has only

a few good skiing sites, these few remain undeveloped. In addition, there are virtually no facilities for cross-country skiing or tobogganing, motorized or otherwise.

If the success of one motel operator in building a swimming pool on to his establishment for winter use is any indication, it appears that there is a substantial market generated both within the region and outside of it (Winnipeg) for indoor winter activity. Notwithstanding the demand, the supply has not been forthcoming.

There are of course many reasons for the supply deficiency in tourist facilities. Any of these are similar to the reasons for service deficiencies and lack of secondary industry discussed earlier. Thus a small local market does not generate the kind of base which can assure an entrepreneur of sufficient business to cover costs. Similarly the short summer season (not as short as seasons elsewhere in the country) is also a "disincentive." The undeveloped commercial centres may not reduce the number of visitors but certainly reduce the amount visitors spend. Similarly the lack of locally produced goods in particular Indian handicrafts reduces potential tourist expenditure.

The supply of public facilities is a limiting factor in that, for instance, access from distant points via charter

flights is limited to a few areas. Similarly, the undeveloped road network limits area access. A frequent and perhaps easily correctable deficiency is the under-sized signs for facilities in resort areas. The difficulty of some resort areas in getting hydro can also be a limitation on expansion.

But while there are similarities in the progress of development of the tourist industries, the service industries in general and secondary manufacturing, there is a basic difference in the marketing conditions of the tourist industry. On the whole one can say that, unlike the others, the tourist industry has a demand sufficient to permit it to expand virtually without limit. Nor would it be fair to say that this demand has not been met simply because roads have not gone through scenic areas or because rest stations have not been provided or because information provided by the Ontario Government may be inadequate. The resorts that are there, after all, are full. Failure to fully exploit the potential seems to relate to two factors, the availability of capital and equally important, the availability of entrepreneurial talent.

The sources of capital available for the tourist industry expansion were somewhat less than the amount available

to other sectors of the economy. First of all, tourist operators and prospective tourist operators were in many cases unskilled in business practices or too small to use them. This meant that proper balance sheets and performance records were not kept and could not be presented to prospective financiers. Without records they stood little chance to get money to expand. Locally based financial institutions could apparently help the tourist industry too. In addition to the small scale of the operations and the lack of local financial institutions, tourist operators were deprived of Ontario Development Corporation money as this agency is not empowered to lend money to any but secondary manufacturing establishments. There was considerable resentment about this exclusion and most hope that a change in the legislation might be made.

The small scale of tourist operations and the lack of business acumen is really a reflection of the phenomenon, noted elsewhere in this report, that there is a deficiency in the supply of entrepreneurial talent. This must be particularly applicable to the tourist industry where there is a high and unfilled demand for tourist services. Although capital is not readily available, the amounts required to become established are small and it seems likely that the demand would have been better filled were it not for the fact that

there are insufficient numbers of people willing to risk taking part in private enterprise in Northwestern Ontario.

d. Summary of Problems and Causes

To attempt to isolate any single cause or indeed, any single set of causes of the problems facing Northwestern Ontario may be somewhat foolhardy, for the problems must be seen as part of the total socio-economic system of the northwest. Nevertheless, there appear to be 10 major causes of the 15 problem headings discussed in this report. In the chart below the general problem headings are listed along the left hand side and the factors relating directly to the existence of the problems are arrayed across the top. In addition, the status of the problem and its locus are listed. The checks indicate which factor is applicable to which problem.

It might be objected that the factors themselves represent problems. Thus transportation and communications are often cited as problems in themselves. On the other hand the housing problem is often cited as a cause for the failure to attract industry but in the Table housing has been listed as a problem and industry a cause. This is not to say that industry is a cause of the housing problem for no check has been placed in this box, but rather that generally speaking

NORTHWESTERN ONTARIO

TABLE 4

PROBLEM FACTOR SURVEY

Problem	Status	Locus of Problem	Changes in Values	Market Changes	Program Weakness	Capital	Knowledge and Communications	Entrepreneurial Talent and Leadership	Labour	Urban Services	Transportation	Small Scale
1. Pace of Life	Potential	Everywhere, particularly at the Lakehead	x									
2. Community Spirit	Existing	At the Lakehead, and Group III towns and potentially Group II as well.					x	x			x	
3. Pollution	Existing Potential	Around pulp and paper towns, and small towns, - potentially could spread to cottage areas, and all towns.		x								x
4. Housing	Existing	Indian areas, small towns, and for senior citizens in company towns.		x		x	x	x	x	x	x	x
5. Education	Existing	Elementary and high schools for Indians, and in smallest towns. Higher education everywhere but Lakehead.							x	x	x	x

No.	Health	Existing	Services mixed everywhere but at Lakehead.						
6.	Health	Existing	Services mixed everywhere but at Lakehead.						
7.	Recreation	Existing	Variety problem everywhere, least at Lakehead.						
8.	Incomes	Existing	Indians, isolated areas.						
9.	Opportunity	Existing	All areas but at Lakehead, where still limited.						
10.	Agriculture	Existing	All agricultural areas.						
11.	Fishing & Trapping	Existing	Appropriate areas.						
12.	Forestry	Existing	Forested areas.						
13.	Mining	Existing Potential	Gold mining areas.						
14.	Manufacturing	Existing	Everywhere, but less so at Lakehead.						
15.	Tourism	Existing	Everywhere.						

the items listed across the top are tools for the solution of the problems listed on the left hand side which problems are themselves a result of the goal scheme derived in the first part of this report.

Before proceeding to a discussion of how the causes may be altered so that the problems no longer exist the exact nature of the causes should be discussed.

1. Changes in Values

Only three of the fifteen problems are related to changes in the value system. As urban values become more dominant, specialization occurs. The family structure is weakened as its members become less dependent on it for their livelihood. As family life diminishes, and the need for a large home declines, the members of the family are more able to specialize and economic efficiency is improved; it is this efficiency with its stress on the maximization on the product of all inputs including man himself that will probably accelerate the pace of life; it is this same drive for efficiency that has altered the structure of the agricultural industry with its strong family basis.

Whether or not there can be a reversal of the trend towards value changes is unclear. Certainly the pressures of urbanization and specialization are very strong and would suggest

a certain inevitability towards an urban style of living. On the other hand, should the people of Northwestern Ontario not wish to have this style, it would be a sad commentary on modern society if they could not.

2. Market Changes

Market changes have been very important to the primary industries of the northwest. Perhaps the most obvious example is the gold mining industry. However, forestry too has both suffered and grown from changes in the pulp and paper markets of the world. The extent to which these markets can be controlled is probably small. Should, however, overall efficiency, particularly in forestry, improve sharply, the competitive position of that industry would improve markedly and the prospects for it rise even further than would presently seem likely.

3. Program Weaknesses

These may be defined as deficiencies within programs generally designed to correct or improve a problem situation. They play an important part in at least one-third of the problems mentioned and it would appear that in each case it is possible to fill in the gaps of these programs. It should be noted that the program weaknesses reflect a lack of understanding of northwestern problems. Thus, the pollution problem in Northwestern Ontario, based as it is largely on the pulp and paper industry, is a kind of pollution problem unique to the

North. So also is the problem of reforestation and of timber limits.

4. Capital

Of equal importance to the weaknesses in the program are the weaknesses in the availability of capital. This is a matter which is, in part, a regional one and, in part, a Provincial one. To the extent, that new institutions drawing on the northern capital can provide capital to northern entrepreneurs it is a regional problem, but, to the extent that additional capital is necessary to develop the northwest, it is a Provincial and Federal problem of allocating monies across the Province and the nation.

5. Knowledge and Communications

Perhaps of more importance than it would appear from the Table is knowledge about the problems of the region, and the communication of the problems and opportunities of the region to its people. Communications in this sense do not include the physical transportation of goods.

Going down the list the impact of knowledge and communications is readily apparent. Thus, a regional community spirit is less strong than it might be because there is no regional radio, television or newspaper service. In the east of the region

television comes from Toronto, in the centre from the Lakehead and in the west from Winnipeg. Most of the radio stations serve local markets. Although the Lakehead and Dryden newspapers have special sections devoted to Northwestern news no one paper has the coverage, circulation or advertising that would make it a truly regional newspaper. In the western portion of the region in particular, the news comes from Winnipeg.

This means that the services and goods available to the Northwesterners within their region are advertised only through media based outside the region. But the fragmented distribution of the population raises the costs of full regional coverage. The result is that while many Northwestern municipalities have similar problems, their lives are not integrated and they tend to orient themselves to other and different sections of the country.

There is a knowledge problem also in the sense of a lack of a unified approach to problems in the region. The peculiar problems of the north in terms of housing, mining and forestry have no one voice. The result is that they are dealt with, sometimes well and sometimes poorly, by organizations based outside of the region.

6. Entrepreneurial Talent and Leadership

Many economists argue that the development of an area is largely a function of the availability of local entrepreneurial talent and leadership. Indeed, as Table 4 suggests, this element is a factor in a good many of the problems of

Northwestern Ontario. Without good leadership community spirit falls. Without entrepreneurial talent new manufacturing firms, new tourist industries and new methods for building housing cannot be developed. Without the entrepreneur, incomes and economic opportunity do not rise.

Entrepreneurial supply is limited in an area such as the northwest. The entrepreneur traditionally goes where the opportunities are, and to the extent that returns to his efforts are elsewhere, he chooses opportunities elsewhere, and the northwest suffers. Since there seems to be unfilled demands in many parts of the Northwestern economy, it seems that many would-be entrepreneurs have left.

To keep the entrepreneur does not require merely education and services, but, in addition, providing opportunities within the region. This can only be done if a community is growing and opportunities are arising.

7. Labour

Of equal importance and perhaps of greater obvious impact, is the availability of a pool of both skilled and unskilled labour. That the Indian community does not have labour skills reflects in both their own incomes and the general wealth of the region. That a labour pool is lacking means that industry must bring in its own and when it cannot, it does not choose to locate in the region. Similarly, a

one-industry town usually is a high wage area, and this represents a further "disincentive."

8. Urban Services

It is in many ways a tautology to say that a lack of urban services are the cause of many of Northwestern Ontario's problems when, in fact, the problem could be generally defined as a lack of urban services. Nevertheless, the lack of urban services represents a severe deficiency in the package of incentives that Northwestern Ontario can offer to business and professional people who come into the area. That ten of the fifteen problems are directly related to a lack of urban services is testimony to this.

The extent to which the supply of urban services is under the control of anyone is a function largely of the ability to control the size of the Northwestern Ontario population, for urban services vary directly with population size.

9. Transportation

Of all the topics discussed at the Northwestern Ontario meetings, transportation received the most attention. Northwesterners were aware that they were on the one hand distant from people elsewhere and on the other, distant from themselves. They realized that these twofold problems of distance

and dispersal could only be overcome if a transportation network minimizing the costs of transportation and minimizing the distances and time involved were set up, and could they compete with similar and desirable activities and services offered elsewhere in the country.

As the Table shows virtually every problem is a direct cause of the transportation problem. Thus, the lack of urban services in a place like Red Lake is a function of the distance between communities, Red Lake and Ear Falls, and the consequent inability to effect scale economies in urban services because of this. Similarly, the lack of a regional community spirit is a function of the enormous distances that have to be covered within the region. The investment in transportation facilities is a significant cost factor in the opening of a new mining area and in the development of forestry resources. It is also a factor in limiting the possibilities of higher education for many of the Northwestern population who find it impossible to get to the Lakehead on a regular basis.

It is not clear that the problems of distance are easily overcome. True, it is possible to build roads and it is also possible to increase airline service and no doubt both of these will have significant and beneficial effects on

improving the "unity" of Northwestern Ontario. But whether or not, with the distances involved one can say that transportation alone will solve the problems of Northwestern Ontario is definitely a moot point.

10. Scale

In many ways almost all of the discussion that has preceded is a discussion of the small scale of the Northwestern Ontario society and economy. In every case, with the exception of pace of life and community spirit, problems would be significantly less if the scale of the operation were increased. But this is not to say that a mere increase in size would bring improvements. Clearly size could overcome the weaknesses of urban services; it could keep entrepreneurial talents and labour in the northwest; it could attract capital, but, unless the scale were increased significantly, it is unlikely that any of the difficulties listed as causes could be so changed as to remove the items listed as problems from the problem list.

It should be pointed out that throughout the northwest there was a communality of problem types and that the only significant difference in complaints was not between municipalities of 3,000, of 5,000 and of 10,000 but between all municipalities and the Lakehead. It should also be pointed out that similar

problems have been unearthed in the sister region of Northeastern Ontario, a region with a population twice the size of Northwestern Ontario. And, although this region's population is more dispersed in some ways than that of Northwestern Ontario, this region has several cities with large populations while the northwest has but one. The point then is that for significant improvement in Northwestern Ontario in the problems mentioned it is not sufficient to talk in terms of minor improvements or of small changes in scale or increases in one or more industries in each town. Many towns would be happy to get one, but when asked what they would do then most people said "well, we would try to get more". One can philosophize and say that this is merely a function of people always wanting more. This may be the case but even if it is, it is clear that marginal increments in the scale of the Northwestern Ontario economy will have only marginal effects on the solution of this problem.

IV ADDITIONAL TOPICS

Before proceeding to the development of a program it is worthwhile reconsidering several topics in the "Points for Consideration by Regional Development Councils in Making Recommendations for Programs in their Regions". The requirements outlined in that document were:

- i. "To identify those problems where solutions lie in urban expansion, whether the urban units are large or small."
- ii. "To recommend specific urban units for a specialized function. In brief, which places can be considered growth points, and which communities can provide residential accommodation?"
- iii. "To identify those problems which are not closely tied to urbanization, and to recommend solutions."
- iv. "To assign priorities concerning solutions to the above mentioned problems over the proposed five year period, 1968 - 1972. Specifically, what problems should be dealt with in 1969, which in 1970, which in 1971 and which in 1972?"
- v. "To recommend measures for control of land uses, both rural and urban."

In this section a review will be made of some salient questions arising from these terms of reference and an attempt made to fill in any gaps which the organization of the body of this report may have neglected. These gaps fall largely in the discussion of the first two points.

1. Urban Expansion

The number of problems associated with the small scale of urban development in Northwestern Ontario indicates that an expansion of urban activities in the region would have a significant effect on the solution of Northwestern Ontario problems. Urban expansion in short could bring about a great improvement in urban services. Health services could operate at economies of scale sufficient to provide the quality of service that is desired by Northwesterners. Education services would improve as greater numbers enabled a greater diversity of courses and improved facilities. Recreational and cultural activities would improve in terms of variety as well as of facilities.

The net effect would be to make the region as a whole more attractive to outsiders. Business for instance, would have a larger labour pool as well as a larger supply of supporting services to enable it to conduct its business more efficiently. Entrepreneurs would be more likely to stay in large urban areas particularly if they were growing. Communications economies would be achieved and the north-west would become more of a cohesive region and its people would choose to stay.

Nor would the effects be limited merely to urban areas, for the existence of strong urban centres would be an inducement to travel and would probably substantially assist the tourist industry both in and out of cities. In addition, it would encourage a greater expenditure on the part of tourists to the region.

In general then, the effects of urbanization would be that of a multiplier of economies resulting in an improved efficiency in Northwestern Ontario, an efficiency which would solve many of its problems.

For urbanization to be an effective solution to the problems in Northwestern Ontario, the scale of it would have to be significant. Small increases in the population of existing

towns could create more hardships than advantages. Thus a small increase in population occasioned by the location of the Weldwood Plant at Longlac has meant the possibility of an enormous increase in taxes to pay for the sewers necessary to handle the pollution that reached a critical point with the addition of only a few new people to the town's population. How much of a population increase would be necessary in urban areas to occasion improvements in the problem situation is uncertain. The doubling of the population towns of say 2,000 would probably have very little effect on the employment picture or their ability to afford services. Indeed, with only five of the towns in the region of 4,000 or more people in 1966 most towns would have to experience a three or more fold increase in their population to reach the level of services that Kenora and Fort Frances have reached. But it should be noted that even in these centres, Kenora and Fort Frances, there were complaints about the level of services and job opportunities. It should be pointed out that while the Lakehead in these respects is considerably better off, people there too argued that services were not up to par, and that the availability of jobs was not high. It is clear then that when urbanization is discussed as a solution to the problems of Northwestern Ontario, one is talking about urbanization on a massive scale. If, on a conservative basis, one calls for towns of no less than 10,000 people as a target for all

towns by say 1980, one is calling for in most cases the three to four fold increases mentioned earlier. To make the Lakehead the kind of regional centre that would keep entrepreneurial and labour force talent in Northwestern Ontario to an acceptable degree one may be talking about a Lakehead community on the order of 200,000 over the next ten to fifteen years. The concept of problem-solving by urbanization then may mean an increase in the population on the order of two to three times the present level. Since the region has experienced only slow growth for several decades now, the likelihood of such a happening seems low.

While clearly the kind of growth that is necessary will have to be externally induced there may be some policies that might be taken within the region to maximize its existing assets. One such suggestion is the consolidation of existing towns so that the present population might be brought more closely together.

This suggestion has its limitations. Apart from being politically unacceptable to anyone living in a town that might be closed down, there are some serious social and economic objections to pursuing such a policy. It might be thought for instance, that the Indian communities located along the northern tracks of the C.N.R. are prime

candidates for consolidation. The Indian's lot would certainly be physically improved by such a policy and it would seem that if these people were moved to an Indian area of their own or attached as an entity to an existing urban centre, sociological problems would be minimized and the benefits to the Indian people would far exceed the costs to them.

However, one Indian who agreed with the essence of the idea observed that the benefits would have to be substantial if costs were to be exceeded. He noted that the Indian tribes in Ontario are anything but united and that mere consolidation tending to uproot the Indian from his basic culture would not be seen to be advantageous by the Indian. The program would have to concentrate on providing for the strengthening of the Indian culture and not on the impositions of the white man's values. In other words, the program should not be seen as a program of integration, a program which thus far has had minimal success.

The consolidation approach runs into even more serious problems in other parts of Northwestern Ontario. To begin with, Northwestern Ontario towns are widely dispersed. Each town has its own economic function usually based on some natural resource. Most of the towns have a fairly sound economic future although admittedly some of the gold mining

towns are in trouble. The point is that consolidation of Northwestern Ontario towns would serve to place the towns even further apart than they already are and if perhaps half were absorbed by other towns one might have to travel over a hundred miles between towns. As it stands many in the region believe that civilization already is spread out too far to properly develop the region much less to provide a basis for the opening up of new resource based industries in the undeveloped parts of Northwestern Ontario.

If then, there would be a loss in terms of development potential occasioned by the location of these towns, one has to consider what the gains might be. It is doubtful whether the gains would be significant, for consolidation of half the towns would mean only a doubling at present town size to say perhaps 3,000 to 5,000 persons.

The opportunities for town consolidation then, seem rather limited. It is more likely that many communities whose economic function has disappeared such as those originally established to serve the railway, might be closed and their populations, brought to larger urban areas. Thus the northern communities along the C.N.R. might be closed and moved and many of the communities between centres of two to three thousand might be consolidated at such centres. However, before such a consolidation were to take place of areas of say more than

1,500 people, it would have to be determined whether or not it was probable that within a reasonable length of time such a community might serve an economic function for the further development of the region's resources. This would suggest that no matter how poor the community presently is, that any town located on a terminus of the road and within striking distance of a possible resource area should not be closed. For towns of this kind, declining only perhaps temporarily, it would seem that a conscious effort is required to ensure that their fabric and their people do not suffer from the necessity of the national and provincial economies to use them as holding properties for future development. This implies a commitment that until such time as the area can grow on its own that some authority will guarantee a reasonable level of services and growth rate, for growth seems to be a main condition for prosperity. Thus we have the curious outcome of this discussion, that consolidation is really only a partial and a small part of the total solution for Northwestern Ontario, and that, in fact, the preservation of a certain amount of dispersal may be necessary to ensure the future growth of the region.

A corollary to the consolidation argument is the argument that unless absolutely economically necessary no new towns should be established. The people of Northwestern Ontario

were on the whole highly critical of the decision to build Ear Falls twenty miles south of the Griffith Mine when it seemed quite possible for the town to go twenty miles north and become part of the Red Lake-Balmerton area. They recognized the failure to take advantage of an opportunity and wish to avoid further such mistakes.

Accordingly, some opposed whole-heartedly the suggestion that a new townsite might be established by developers associated with the International Nickel Company of Canada at Shebandowan. Members of both management and labour thought that before such a site were established considerable thought should be given to alternative methods of supplying the area with a labour force. Among these methods were commuter trains. A similar policy was suggested for areas that might be established north of existing settlements.

2. Spatial Specialization

The notion of specialization is a traditional one in economic thought. The argument is that the more time a man spends on a single task the better he becomes at doing it and the greater his output. The concept of specialization also seemed applicable to theories of the organization of economic activities in space. Thus, in a land use plan, conflicting types of activities are separated that they may not interfere with each other. Often in a plan one finds residential

areas in one place, industrial areas in another and commercial areas in a third. This permits each area to pursue its own activities with the greatest degree of interaction between the commercial and industrial sectors without interfering in the desired tranquillity of the residential sector. More recently the argument has been put forth that such specialization can be applied not just to neighbourhoods within towns but to whole towns themselves. Indeed, in southern Ontario many communities seem to have taken on specialized characteristics. Around Metro for instance, there are many dormitory communities, that is communities which provide residential facilities and only services incidental to those people living in the area. On the other hand, the work areas of which downtown Toronto is a good example tend to exclude most kinds of residential facilities. Not only is there a specialization in the general categories of economic activity but also a specialization within categories. Again within Toronto, some areas like the downtown in Toronto serve largely a retail commercial function while others serve largely a manufacturing or industrial function.

It should not be thought however, that specialization on a spatial basis is necessarily a desirable end in all situations. Indeed, specialization seems to occur and is most desirable

when economic activities are in conflict. The continuing pressure around the downtown area of Toronto for apartment homes indicates that although there is considerable specialization in downtown Toronto people still wish to live near where they work and do not believe in total segregation of activities. Again people in Toronto who live in the specialized dormitory suburbs and work in the specialized central city find themselves travelling upwards of three quarters of an hour to get to work. It appears therefore, that specialization in spatial activity is less a desired end than the result of bigness and the need to separate conflicting interests. One should not think that because specialization of activities occurs on an aerial basis in a prosperous area that specialization is necessarily the cause of that prosperity.

There is another kind of specialization which relates not to single types of activities but rather to the scale of clusters of activity. Metropolitan Toronto represents a cluster of activities on a scale which permits the development of certain highly specialized and efficient operations, one of these being of course the stock market. In terms of Ontario, Toronto could be said to specialize in providing the services necessary to make decisions. While these include such activities as government, consulting firms, and statistical and clerical establishments, they also include man-

ufacturing activities geared to the servicing of these people in their specialized requirements, as well as providing them with goods which they need for their own personal consumption. Similarly, the City of Hamilton specializes in steel. Its service industries are oriented towards the manufacture of as well as the provision of goods and services to the industry's specialized personnel.

The nearby City of St. Catharines specializes in the making of transportation equipment while the City of Niagara Falls specializes in providing recreational facilities.

All these areas have certain things in common, that is, the supply of living accommodation for their people, stores, office space, but each one of them has its own particular kind of activity. And, as the size of the municipality grows the degree of specialization in service kinds of activity and commercial activity also grows. Remembering the limited market in Ontario for services of a highly specialized character one can see developing an aerial distribution of service and goods supplying centres arranged in a pattern permitting people to move throughout the system to obtain these specialties as their needs for different specialties change and increase. This kind of network permits the existence of one centre for the specialization of ideas and information with other centres specializing in manufacturing and still others specializing as needs become smaller, in

providing only goods for local consumption. When a system exists which permits the easy mobility through different stages of the specialization cycle it can be said that a region has achieved a high degree of economic sophistication. It is in this sense that specialization becomes the key to economic prosperity but not in the sense of the spatial separation of activity functions in small areas.

There is a system of specialization in Northwestern Ontario. Specialization exists to a smaller degree in all the forms that exist in southern Ontario. Thus, at the Lakehead, the Cities of Port Arthur and Fort William provide commercial centres while the Townships of Shuniah and Neebing provide residential areas. At the same time the Lakehead is at the apex of the regional system of specialization in being able to provide the kind of specialized labour force and industrial and commercial services that are not provided elsewhere in the region. Similarly, each town outside the Lakehead generally specializes in only one activity. The mining towns devote their entire energy to the servicing of the mines and of the people who work in them. This is also the case with the pulp mill town and even in towns such as Fort Frances and Kenora there is a high degree of specialization around two industries, paper and tourism. However, the great dispersal of towns throughout the region means that

there is no gradual system of higher degrees of specialization. Each town is the centre of a hinterland largely unconnected with all others and indeed, sometimes more connected with cities such as Duluth, Winnipeg or even Toronto for its higher level of services than it is with the Lakehead. The failure of the region to develop this kind of integrated hierarchical system is in part a reason for the failure of Northwestern Ontario to provide its people with services from within its own borders.

The northwest thus far has not really developed the need for the other kinds of specialization, such as the aerial specialization of particular activities. Indeed, the kind of specialization which prevented a man from going home for lunch would be totally opposed to the goal system described earlier.

There is however, room for some kind of activity separation. Polluting or obnoxious uses, for instance, should not be mixed up with recreational or residential activities, and the importance of such separation should not be minimized.

Two points must be remembered when considering the choice of areas for growth and areas for residential uses. First

there is probably little to be gained either in terms of the goal structure of Northwesterners, or in terms of the economic system of Northwestern Ontario, in specializing areas at the scale of the municipality for either industrial or residential uses except in the kind of case mentioned above. Second, there is a case for increasing the level of integration of communities within Northwestern Ontario on the plane of gradually increasing degrees of service specialization. Still communities may specialize, but, to the extent that distance prevents them from taking advantage of the services other communities offer, this specialization will be less complete than in the more densely developed parts of the Province.

3. Problems Not Directly Related to Urbanization

The problem factor survey table indicated that urban scale was probably the single most important problem facing Northwestern Ontario. However, it should not be thought that this is the only question that needs to be dealt with if the kind of goal system that Northwesterners wish to achieve is to be obtained. An increase in urban scale merely sets the stage for improvements in other aspects. The Indian problem for example, was shown to be partly one of urbanization, but equally important was the problem of program

weakness and knowledge of the basic necessities for the Indian community. Similarly, an increase in urban scale will probably assist the housing industry, but, as a look at Metropolitan Toronto will show, it could also make it worse. The problems of primary industry development are really not problems of urban scale at all, but problems in marketing conditions outside the region which conditions can only be changed by alteration in government policy towards the development of Canada's resources.

It is not necessary to recapitulate the entire table. Suffice it to say that to the extent that urban scale is too small to permit the conditions for development to occur, then urban scale may be considered the basic problem of Northwestern Ontario. However, to the extent that urban scale will create its own problems and ignore many others merely making possible a solution in a more affluent context, then urban scale merely becomes one element in an over-all program for Northwestern Ontario development.

V. THE DEVELOPMENT PROGRAM

The main objective of the Northwestern Ontario development program must be to achieve a degree of regional wealth sufficient to support policies which in turn can achieve regional goals. From the discussion which has preceded, this suggests three major objectives.

1. Northwestern Ontario should seek to increase its population as rapidly as is possible.
2. This population should be concentrated as nearly as is socially and economically possible, given the requirements for new economic activity, in as few urban centres as is possible.
3. The region should achieve a level of socio-economic excellence second to none.

These three objectives represent the core around which the specific recommendations may be made.

1. Population Growth

It is suggested that to attract both people and investment the region must achieve a population growth rate in excess of that of other areas of the Province. The Province of Ontario will probably grow to a compound rate of 1-1/2% per annum between now and 1986.* The region should seek a growth

* Economic Planning Branch, Policy Planning Division, Department of Treasury and Economics, "Ontario Labour Force Projections", Page 40 (computed)

rate at least 1% higher than that, or 2-1/2% compounded annually. This suggests an increase from the present population of approximately 223,500 to 370,000 by 1986 and 525,000 by the year 2000. It should be noted that the 1986 target population is 21,000 fewer than the Department of Economics and Development** projection of 1964, which however proved to be high for the 1966 census.

RECOMMENDATION 1

The Northwestern Ontario population should grow at approximately 2-1/2% compound annual growth rate; Provincial and regional policy should be directed towards this end.

The achievement of such a rate of growth will be the composite of many factors including the achievement of major objectives 2 and 3. Indeed, an attempt to achieve a first objective without at the same time giving considerable attention to the other two could yield a situation of unemployment which should be quite intolerable. Nevertheless, several further recommendations pursuant to population growth itself may be made.

The population increase will be a result of reduced migration from the area as well as increased immigration to the area. Emigration from the area will be discouraged by improved economic positions resulting largely from implementation of major objectives 2 and 3. Immigration to the region can be

** Department of Economics and Development, "Population and Labour Force Projections for the Economic Regions of Ontario, 1961-1986", December, 1964.

encouraged by improved economic positions but also by the bringing in of labour migrating to Canada. Recommendation 2 therefore reads:

RECOMMENDATION 2

People living both inside and outside of Canada should be given incentives to migrate into the region. These incentives, which should be contingent upon a five year stay in the region, might include transportation subsidies, guaranteed incomes, income tax relief and housing subsidies.

2. Population Distribution

Since the increases in population, although projected as greater than in other parts of the Province, are still not enormous, it is essential that these increases be used as effectively as possible. To this end a policy of concentration and urbanization is recommended. This policy must employ the techniques of both the carrot and the stick, and like the bulk of the recommendations made in this report, is predicated on the existence of a Regional Development Program.

RECOMMENDATION 3

A Regional Development Program (R.D.P.) should be prepared for the distribution of economic activity and population within Northwestern Ontario.

The R.D.P. basically should indicate which areas in the region are to develop over the planning period and which areas should receive incentives. The basis for its decisions in this regard should be the long term economic viability of the

area as indicated by its ability to attain the regional population growth rate of approximately 2-1/2% by the middle of the planning period - 1986. Remembering that area will be defined as including the population of the areas immediately surrounding a centre, it appears that growth should initially be centred around 13 urban areas. These include Manitouwadge, Dryden, Red Lake-Balmerton, the Lakehead cities, Terrace Bay, Red Rock-Nipigon, Kenora-Keewatin, Marathon, Fort Frances-Alberton, Atikokan, Sioux Lookout-Hudson, Geraldton-Longlac, and Rainy River. In addition other areas which might emerge in the R.D.P. should be designated as growth areas. Consideration should also be given to areas which might be necessary urban tourist centres.

RECOMMENDATION 4

The R.D.P. should designate urban areas necessary to the development of the Northwestern Ontario Economy, and by means of the selective distribution of incentives, the establishment of an R.D.P. having "official" force and subdivision regulations and zoning by-laws, those areas designated should be permitted to significantly expand their populations. Of course there will be a number of places serving the tourist industry, which will from time to time build new gas stations, restaurants and other tourist facilities. Such places should only be permitted to grow to the extent that they require a minimum cluster of facilities - say a public school, and roads.

One of the problems of Northwestern Ontario urbanization has been the frequent springing up of new towns to meet the demands of resource

industries. In many cases it was necessary to have such towns, and in the long run, such towns have proved to be an asset. It seems possible, however, to minimize the growth of such centres by taking advantage of the developments in high speed rail transportation.

RECOMMENDATION .5

Unless it can be shown that it would cost more to provide a 30 minute commuter service to a new resource site than to build a new town on that site, no new town sites should be developed in the region. Since both the government and resource industry will gain by not having to build a new town, each should share in the costs of the commuter service.

While all these recommendations will serve to enhance the position of the urban growth centres, further measures are necessary to ensure their growth.

RECOMMENDATION 6

The implementing authority of the R.D.P. should guarantee the growth to the year 2000 at the target growth rate of 2-1/2% per annum, of all urban growth centres.

This recommendation would give the small towns of the north-west the security they need to grow with confidence. To avoid default on the guarantee several measures will be necessary.

RECOMMENDATION 7

Any employment generating establishment (Initially, Tourist and secondary industry) locating in the urban growth centres or other permitted areas should receive incentives in the form of forgivable loans contingent upon six years' stay in the region, equal to the largest direct subsidies available in the Provinces of Ontario and Manitoba and in amounts as great as permitted elsewhere. In addition, the new entrepreneur should be guaranteed a 10% return on its investment for the duration of the loan period.

This recommendation represents a considerable expansion of the Province of Ontario's program for the Equalization of Industrial Opportunity. In addition to general economic growth, the implementing authority should undertake to see that the urban growth centres have the following basic services.

RECOMMENDATION 8

All urban growth centres should have the following services:

1. Full educational facilities including vocational classes to Grade XIII.
2. An airstrip big enough to handle medium size jets.
3. A Library.
4. Full municipal services.
5. A fully equipped recreation centre and auditorium.
6. A centrally located shopping area providing at least one small department store.

7. A Hospital.

8. An Old Age Home.

In addition, it should be easy for residents to reach each other within a fifteen minute drive.

RECOMMENDATION 9

The internal road system in an urban area should be so developed as to bring any disparate parts close together. Development should occur between centres where the area has more than one centre.

The attainment of maximum efficiency within an urban area goes only part of the way in the desirability of urban life in Northwestern Ontario. A community must be able to enjoy the fruits of the efforts of other communities as well.

RECOMMENDATION 10

All urban growth centres should be linked one to another by high speed roads (70 miles per hour).

This recommendation will entail the building of a large number of roads in addition to improving on the design and construction of the Trans-Canada Highway.

But physical transportation is not the only means of bringing the region together.

RECOMMENDATION 11

The Lakehead should be regarded as the communications centre of the region. In addition, two satellite television stations based on Lakehead programming, but providing local news and advertising as well, should be located in the eastern and western parts of the region.

One of the problems noted in the preceding discussions was the lack of a system of urban centres channelling activity throughout the region rather than outside it.

RECOMMENDATION 12

Encouragement in the form of subsidies should be given to the establishment of regional information systems.

RECOMMENDATION 13

In addition to the urban growth centers, three areas should be designed to provide higher levels of services. One of these would provide the highest level. The middle order urban growth centers should have a location in the eastern part of the region and one in the western part. The Lakehead cities would represent the highest order urban growth area in the region.

RECOMMENDATION 14

As well as providing all the local services indicated in Recommendation 8, the middle order urban growth centres should provide:

1. Regular air transport service.
2. A T.V., radio and newspaper satellite or independent stations.
3. Greatly expanded and improved urban services such as shopping, recreation and cultural activities, psychiatric care, etc.
4. University extension courses and satellite colleges.

Middle order urban growth centres would have minimum populations of 50,000 by the end of the planning period. Likely candidates are Dryden or Kenora in the west and Geraldton or Manitouwadge, in the east.

RECOMMENDATION 15

The position of the Lakehead as the centre of the region should be enhanced.

This recommendation really only involves an extension of present trends and the concentration of regional decision-making both governmental and commercial. The Lakehead is already well on its way to becoming a centre for the arts and education. A population of 250,000 by the year 2000 is a reasonable target.

3. General Socio-economic Conditions

In this section the 15 problems outlined previously in this report will be considered. Where the recommendations, listed previously, serve to improve the condition, this will be pointed out, but if the recommendations do not achieve the desired end new recommendations will be proposed.

i. Pace of Life

Since the general purpose of the recommendations made above seems to suggest that efficiency is the prime criterion for the acceptability of various types of recommendations it would suggest that the problem of the quickening of the pace of life in Northwestern Ontario will not be helped. Under the system proposed it is quite likely that more and more people will be forced into the high speed urbanized life that other areas of the country are experiencing.

Presumably however, a better spatial order of the region will mean that less time is spent travelling. Moreover, one would hope that the improved educational facilities and

recreational facilities will help to counteract the trend towards the high speed life. Indeed, it must be remembered that many of the problems of Toronto are a result of the inadequate provision of recreational facilities and a major goal of this report is that there be an increase in these facilities. The net result should be that the Northwesterner can choose among different paces.

ii. Community Spirit

As indicated earlier, there are little ways of measuring community spirit, but it seems that community spirit is highest in smaller communities. The proposed increased size of Northwestern communities could mean a reduction in community spirit. At the scale proposed, Northwestern towns would not be large by southern Ontario standards. With a greater integration of these towns in their region through the improved communications and transportation network, a new regional community spirit will probably emerge and in any case the improved recreational and educational facilities should make it possible for more people to participate in community affairs. The reduction of emigration should also help.

iii. Pollution

If anything, the recommendations outlined above, would exacerbate the pollution situation in Northwestern Ontario.

To prevent this from happening the following recommendations are made.

RECOMMENDATION 16

In addition to the factor of economic viability, it is suggested that the possibility of installing services be considered in determining the viability of towns, and that town expansion be not permitted, (in keeping with the present philosophy of the Ontario Water Resources Commission) until facilities are provided. Where a community is viable but cannot handle the costs involved, special arrangements should be made.

RECOMMENDATION 17

The policy of cleaning up both air and water in Northwestern Ontario either from public or private waste sources should be accelerated with the view to eliminating pollution for all practical purposes within ten years.

iv. Housing

The ordering and guaranteeing of urban growth over the next thirty years should reduce the reluctance of lending agencies, such as Central Mortgage and Housing, to provide capital for homes. Similarly, planning of communities should permit the provision of areas for the kinds of housing necessary. However, there may still be a reluctance to build certain kinds of housing and this reluctance must be overcome. The following recommendations should assist.

RECOMMENDATION 18

Where an area is growing but has difficulty in providing housing money should be made available to builders as incentives to build housing in these

areas and the H.O.M.E. plan of the Ontario Government should be used to assist in land assembly.
(The first proposal would require new legislation.)

RECOMMENDATION 19

Consideration should be given to various forms of subsidies among them rent supplements which would enable areas to receive special treatment when a high proportion of their population was unable to find housing at the income levels which they could afford.

RECOMMENDATION 20

Where areas have large proportions of substandard housing money should be made available through the National Housing Act Urban Renewal Program or changes made therein, to assist communities to provide replacement housing for the people involved. No housing should be torn down unless the person who is to be displaced has a place to go to without displacing others.

RECOMMENDATION 21

To insure that Indians are fairly treated a special study should be made of Indian housing problems.

v. Education

Increasing urbanization should make possible the establishment of high schools and public schools in every community. In addition the sub-regional communities will be able to

provide some levels of university education while the regional community should be large enough to provide a high degree of university education. It should also ease the problem of finding teachers as the towns will be more attractive and the schools better.

Urbanization should prevent the necessity for a good deal of the bus transportation that presently occurs, however, much of it will have to remain. Improved roads should cut down the need for too much of this undesirable aspect of northern life. However, when it comes to transportation to university facilities, the decentralization of university teaching to the sub-regional level will only provide a partial assistance. Those outside the three major centres may still have to travel distances great enough to deter them from using the university.

Undoubtedly the increasing size of the region will encourage a greater variety of courses for people in Northwestern Ontario, still the course variety will not be anywhere near the level offered by larger universities. Some courses ought to be offered at the Lakehead.

RECOMMENDATION 22

Room and board and an additional round trip home per year should be provided to Northwestern students not able to find suitable courses in his area.

It is not clear that this system will aid the Indian. Special programs will have to be set up for him.

RECOMMENDATION 23

The Ontario and Federal Governments should resolve their differences on Indian education such that the Indian may receive an educational opportunity equivalent to that of whites and consistent with his own needs.

A university is often known for its specialty, accordingly:

RECOMMENDATION 24

A committee should consider the establishment of special courses such as mining applicable to the Northwest.

Some students still will have to spend time at universities outside of the Lakehead if they wish to pursue specialized careers.

vi. Health

Undoubtedly such an expansion will assist the provision of health facilities, and the maintenance of doctors and dentists within all communities. A hierarchy of health services based on the communities, the sub-regional and regional centres, should further enhance a supply of health facilities. Nevertheless, a special policy may be necessary to deal with the existing superfluity of hospitals in some areas.

RECOMMENDATION 25

Except at the Lakehead, there should be no more than one hospital within a 50-mile radius.

It is not clear whether urbanization would assist the alcohol problem which is very real in Northwestern Ontario. To the extent that it will provide greater outlets for energy in terms of recreation and economic opportunity the problem should be assisted. There is already considerable study on alcoholism in northern Ontario and this should provide some interesting answers to the problem.

RECOMMENDATION 26

Studies on alcoholism should be continued, with full support given the researchers.

vii. Incomes

Overall growth in the economy should improve the income and the distribution of income substantially within the region. Similarly, improved educational facilities should assist people in raising their standard of living. The program suggested for the Indians should assist them as well. The program to be outlined below for the various sectors of industry will assist further.

viii. Opportunity

The same general statements that apply to incomes will also apply to opportunity.

ix. Agriculture

Urbanization should increase the demand for locally produced agricultural products and accordingly will assist in channelling capital to meet this demand. However, there are certain basic institutional barriers such as the size of farms which must be overcome.

RECOMMENDATION 27

It is recommended that capital for farm consolidation for dairy and beef cattle raising purposes be provided at suitable interest rates.

Exploitation of wild rice seems to have been hampered by lack of permission to use lakes for its growth.

RECOMMENDATION 28

In the R.D.P. several lakes suitable for the growing of wild rice should be set aside.

x. Fishing and Trapping

There seemed to be little concern about trapping but considerable worry about the supply of wild life in general.

RECOMMENDATION 29

Fish and wild life surveys should be updated, and, when shortages emerge, appropriate control programs instituted.

RECOMMENDATION 30

The R.D.P. should set aside areas exclusively for hunting, fishing and conservation.

RECOMMENDATION 31

Game warden patrols in all areas should be increased.

xi. Forestry

The programs mentioned probably have little effect on forestry in northern Ontario. This problem, therefore, must be treated separately. One of the important problems facing forestry is knowledge of the potential of the forests.

RECOMMENDATION 32

A complete survey of the woods of Northwestern Ontario should be conducted with the view to determining the future yields and markets of various species of the Northwestern Ontario forest crops.

Another important problem was the lack of reforestation.

RECOMMENDATION 33

Reforestation should occur such that the net gain in forest stocks each year is never less than zero.

Another frequently mentioned problem was that of the failure to exploit the forest as quickly as it might be.

RECOMMENDATION 34

Timber leases should be subject to review every five years. Renewal should be granted on the basis of use of the timber rights and competitive proposals for its use.

Another problem relating to the exploitation of the forest resources in Northwestern Ontario was the inability of another company to use unused timber on land already granted to another company.

RECOMMENDATION 35

Timber rights should be granted by types of wood as well as area.

xii. Mining

While urbanization will probably assist gold mining towns it will be of very little assistance to the gold mines themselves. Barring a change in the demand for gold or the price of it, there is probably little that can be done to protect the gold mining industry.

With other industries the basic problem is one of assuring that northern Ontario mines are not penalized by superior tax and grant systems in existence in competing areas, and that some form of assistance is available to counteract the great distances involved in Northwestern Ontario. The improved transportation system, and the policy of providing commuter trains to mining sites, within a reasonable distance from the mining towns, would greatly assist the furtherance of exploitation of Northwestern Ontario's resources. There are however considerable knowledge gaps.

RECOMMENDATION 36

A complete study of mining industry costs, with special reference to differential subsidies and transportation rates should be conducted and that should the result show differential rates, these rates be subsidized so that Northwestern Ontario is competitive with other areas.

RECOMMENDATION 37

Existing geological surveys should be reviewed and updated.

xiii. Manufacturing

Of all the sectors of the economy, manufacturing is the one likely to benefit most from urbanization. Larger and more concentrated populations mean larger labour forces and higher skills, more supporting services and greater markets. An improved urban community compounds the good effects of urbanization. Furthermore, it improves the supply of entrepreneurial skill - a key factor in the relatively poor performance

of the manufacturing sector of the Northwestern Ontario economy. The recommendation for the concentration of manufacturing activity in selected growth areas should assist further. Also of assistance should be the new program of industrial location incentives. Apart from these recommendations, additional recommendations might be made to improve the understanding of some of the difficulties facing Northwestern Ontario entrepreneurs.

RECOMMENDATION 38

A study should be prepared supplementing the present study being prepared by the Regional Development Branch and A.R.D.A. of the transportation difficulties facing Northwestern Ontario manufacturers. Should it be found that transportation costs are higher simply because of higher transportation rates, the Government should consider subsidizing these rates.

xiv. Recreation

Like the health and educational facilities, the quality and quantity as well as the variety of recreational activities should increase. Nevertheless, there probably should be some specific kind of encouragement for indigenous development in the arts.

RECOMMENDATION 39

It is suggested that money should be made available for the encouragement of arts and crafts in Northwestern Ontario, this money to be available to white and Indian alike.

xv. Tourism

While urbanization and the policies outlined above will all redound to the advantage of tourism, special considerations must be given to this industry. It has already been suggested that the tourist establishments should receive grants under the Ontario Development Corporation's program for the equalization of industrial opportunity. It is clear however, that apart from the area recently studied by Keats, Peat and Marwick, the full potential as well as the market for the services of the Northwestern Ontario tourist resource complex is not known.

RECOMMENDATION 40

A complete tourist study of Northwestern Ontario similar to the one conducted by Keats, Peat and Marwick should be conducted as soon as possible.

RECOMMENDATION 41

This study should set out areas for recreational use and urban uses should be permitted only in the areas which are compatible with the full development of the tourist and recreational industry. The study should also review the economics of the N.W.O. tourist industry, and consider any changes such as in the Minimum Hours and Wages Act which may operate to the detriment of the industry. The foregoing should be incorporated into the R.D.P.

A notable lack along northern Ontario roads is rest and camping areas.

RECOMMENDATION 42

At suitable intervals, rest areas and camp grounds should be provided. Rest areas should have sanitary facilities as well as the usual picnic tables and garbage receptacles. Camp grounds should be equipped in the manner that most Ontario Provincial camp grounds are provided. Both these facilities should be provided at scenic lookouts. In addition the relevant authorities should be asked to permit more readable signs than those presently allowed.

A common criticism of the Northwestern Ontario road system was that it failed to take advantage of the many views afforded the motorist in Northwestern Ontario. Recommendation 43 is a corollary to the above recommendation.

RECOMMENDATION 43

New roads should be so sited that they take advantage of northern Ontario scenery, and provide access for tourist resort and camp areas. This policy should be enshrined in the R.D.P.

4. Additional Topics

Many of the 46 recommendations outlined above depend, to a large extent, for their implementation on some kind of regional authority. The only regional authority operating in Northwestern Ontario is that of the Northwestern Ontario Development Council which works with its municipalities but also in cooperation with the Ontario Government. As it is presently organized

the Northwestern Ontario Development Council could not undertake the implementation tasks required of it in this report. Rather the implementation job would have to be a result of deliberations and a plan prepared within the Ontario Government in consultation with Northwestern Ontario municipalities. There can be no doubt that an Ontario Government based plan is theoretically feasible. Moreover, considering that a good deal of the money for the preparation of the plan and its implementation will have to come from the Ontario Government and therefore be considered within a provincial context, there is good reason to suggest that the planning function should largely remain with the Province. The Ontario Government would, of course, have to co-operate with the municipalities, perhaps under some revised form of small scale regional government, as the major planning authority. There are, however, several reasons from both the regional and provincial point of view for thinking that this may not be the wisest course to follow.

The basic philosophy of the Ontario Government has been a philosophy essentially based on private enterprise seeking out its own opportunities. But in addition to adopting a laissez-faire policy towards private enterprise, in many respects, the Province of Ontario has also permitted municipalities to pursue a similar course. The result has been that, just as industries compete for capital, municipalities compete for capital.

There is some reason to believe, and certainly most Northwesterners would hold this to be the case, that Northwestern Ontario operates at a disadvantage vis-a-vis other areas in the Province. Thus a Northwesterner generally thinks that his problems are totally misunderstood by the Toronto-oriented Queens Park group. He rejects the concept that provincial policies can be devised which are applicable to both the north and the south of the region. If this is so it is probably related to the region's small population and its lack of organization.

It is not that other regions in the Province are better organized than Northwestern Ontario, but rather that the municipalities which comprise them are bigger and closer to the seats of power than are Northwestern Ontario municipalities. Accordingly it can be argued that Northwestern Ontario in the economic scheme of things represents an imperfect element in the market place. As such, it is necessary for it to organize in such a way that it may present a voice equivalent to the larger organizations to the south of it.

Should the Northwestern region develop a capacity for presenting not only a united front in industrial promotion activity, but in planning and development activity as well, its position would be greatly strengthened. Moreover, this position would be

consistent with the general policies of the Ontario Government to let municipalities within reason, choose their own course of development.

From the point of view of Northwestern Ontario, it is very difficult to make a case for faster development than the trends would suggest. One would suspect the Province would have a difficult time making the case as well with the result that a trend situation would be pursued. But assuming that there may be advantages to developing Northwestern Ontario from the point of view of national unity and increased productivity of the entire population, it seems that a market place municipal autonomy at the regional level may have some place.

RECOMMENDATION 44

A regional development organization with powers to designate growth areas, general use areas, to choose locations for regional roads, to deal with special problems of economic development, allocate subsidies to firms wishing to locate in the region, to provide for the establishment of regional health, recreational and educational facilities, to promote a regional consciousness and spirit, and artistic capability, and other aspects related to the betterment of the region should be established.

This body with its considerable powers would in many ways tend to supplant the role of some municipalities and would compete sharply with them, in particular with the new

Lakehead municipality. It would therefore have to have powers both persuasive and legislative. Some of these are embodied in Recommendation 44 above. But in addition, it would have to have money and staff.

RECOMMENDATION 45

The regional body, which might be called the Northwestern Ontario Development Corporation, should be set up as a public corporation whose executive would be appointed half by Northwestern Ontario municipalities and half by the Provincial Government.

Representation such as this while not without difficulties particularly from the government side, would ensure both local and provincial consideration of the problems involved. Like all organizations, it would have to have money.

RECOMMENDATION 46

The Council should be established with an adequate working capital to be provided by the Provincial Government.

This money would serve several purposes. It would provide development capital in addition to that already provided under existing government programs for industrial incentives, roads, etc. It would also provide capital for ventures such as trust companies, Indian communities and the like as the region needs them. In addition, the capital would provide for a staff of suitable quality to assist it in making the necessary decisions and have the power to guarantee loans.

PART VI. PRIORITIES AND PHASING

The development program and the recommendations outlined in the previous section represent an attempt at a comprehensive approach towards the resolution of the problems facing Northwestern Ontario. However, it is most unlikely that such a program can be implemented totally and immediately and it is therefore necessary to develop an approach by which the program may be implemented in stages over a period of time. In keeping with the guidelines for this study prepared by the Regional Development Branch the time period chosen is four years beginning 1969.

There are two ways of establishing priorities for action. The first is to relate solutions to problems, and to deal with the problems, and arrange the solutions in order of the importance of the problems. But it is not always possible to deal with the problems on such a priority basis. The inter-relatedness of the problems facing Northwestern Ontario militates against a piece-meal approach. One cannot, for instance, establish an incentive program designed to attract industry without heeding the affect of such a program on the housing problem. In the pages which follow therefore, a kind of compromise approach attempting to deal with problems in their importance of resolution without obstructing materially the overall progress of the total regional development program, will be undertaken.

In the problem factor survey 15 problems were isolated. The most important of these in the minds of Northwesterners seems to be lack of job opportunities. As was noted this was a combination of various kinds of bottlenecks in primary, secondary and tertiary industry. The second most important problem seemed to be housing. The third most important problem seemed to be health facilities while the fourth was educational facilities particularly at the vocational and university levels. The fifth and sixth problems related to recreation and environment. The first of these included problems of the pace of life and community spirit while the second included problems of the preservation of the natural environment and impending pollution of all kinds.

It is not possible to deal with these problems on a priority basis, for their solutions, as the problem factor survey indicated, are highly inter-related. Perhaps a better approach than dealing with the problems themselves is to deal with the basic underlying causes of the problems. The problem factor survey indicated that there were, essentially, eight causes contributing to Northwestern Ontario development problems. In order of their priority in terms of their contribution to all problems were transportation, small scale, urban services, entrepreneurial talent and leadership, knowledge and communications, labour, capital, and weaknesses in existing programs. To a certain extent, it is possible to deal individually with each of these

causes and it is these causes which should represent the basic outline for action priorities in Northwestern Ontario.

It seems necessary however, to make one break from the priority arrangement indicated above. Knowledge and communciations, but particularly knowledge was demonstrated to be a serious problem in Northwestern Ontario development planning. It is, in fact, so serious that while it is possible from the preceding discussions to identify general causes, it is not possible, as yet, to specifically define the kinds of detailed action that can be taken to improve these causes without gathering further knowledge about the impact that various kinds of programming measures would have. This is not to say that it is not possible in this report to deal with priorities, but, rather, to say that only the general direction and phasing of the program can presently be anticipated. Notwithstanding the results of the problem factor survey, it is suggested that the first priority in the program for Northwestern Ontario development be the filling in of gaps in the understanding of the socio-economic processes of the region. The order, therefore, in which it is felt that problems should be treated, is:

1. Knowledge
2. Transportation
3. Small scale
4. Urban services
5. Entrepreneurial talent and leadership

6. Communications
7. Capital
8. Labour
9. Program weaknesses

The chart at the end of this section graphically portrays the sequence of action of the regional development program as outlined above and in preceeding sections. In the left hand column are listed the problems approximate causes. Along the top is the 4 year time span to the end of the program. The line leading from the problems and incorporating boxes containing the recommendation number and key words to assist in identifying the recommendations, indicate the end of the period by which the recommendation should be implemented.

The end of the line indicates the time by which the recommended steps for solving the problem should be complete. To a certain extent this chart represents the "critical path" of the North-western Ontario Regional Development Program. Where for instance a line leading from a set of problem recommendations moves vertically to another recommendation line it indicates that before further steps may be taken along the path the recommendations solving the problem joining the path must have been implemented and the problem fairly well solved.

One other thing about this chart should be noted. Recommendations 44 to 46 dealt with the establishment of a regional development

corporation. Essentially, it was argued, that an organization with a full understanding of regional problems was essential if the interest of the region were to be effected. This applied to all stages of the regional development program from the assembly of problems, which of course is the main concern of this study, to their resolution. The problem, of course, which this proposal seeks to alleviate is partly concerned with knowledge, partly concerned with communications, but largely concerned with the development of coordinating leadership at a regional scale.

While it would be desirable to have such an organization established before any of the programs were to proceed, the conceptual and political difficulties at all levels of government in determining who is to be represented and what exact powers the corporation's powers should be, will probably mean that it will not be possible to establish the corporation, at the earliest, before the end of 1969. The dotted line leading vertically upwards on the entrepreneurial and leadership row indicates that preferably the corporation should be established before any more research is done. Since, however, this is most unlikely, another line leads horizontally to 1969, by which time, it is hoped, that the Province of Ontario and the people of Northwestern Ontario will have seen fit to establish a Northwestern Ontario Regional Development Corporation.

APPENDIX

A Note on Land Use Controls

The inapplicability of concepts of spatial specialization has been outlined in Section 2 of Part 4 of this report. The land use control aspects of the Development Program will have a somewhat different emphasis than methods now employed for the control of land use. Essentially the Municipalities will retain their powers to control such uses as industrial, commercial and residential uses within the bounds of their territory. The recent statements by the Honorable Darcy McKeough in Design for Development II indicate that urban-centred regional governments incorporating all built-up areas in the North are likely to come to pass.

This will mean that throughout the region municipal councils and planning boards should be able to devise and administer all the planning and land use control necessary for the order and good government of their municipalities. They will employ, of course, the classic tools of the Official Plan, and the Zoning Bylaw.

The context within which the local Official Plan is prepared, however, will be a regional plan which will allocate population and economic activity among municipalities. The basic assurance that the plan will be adhered to will come largely

through program incentives such as those described earlier.

Land use control therefore is not a major or very significant component of the overall regional development program.

Moreover, since such controls will be largely administered on a municipal level in keeping with the economic context of the region, it will not be necessary, except in the cases of unorganized areas, to involve the development corporation with matters of land use controls. Where they are involved, the controls will be the classic ones mentioned above.

For Office Use

No.

I-VIII (1-4)

Card

I-VIII (5)

NORTHWESTERN ONTARIO
REGIONAL DEVELOPMENT
COUNCIL

PROCTOR, REDFERN,
BOUSFIELD AND
BACON

REGIONAL PROBLEM SURVEY

Si vous parlez francais, telephonez 705-472-1410

Please read instructions carefully before filling out this form.

1. In what district do you live? _____ I (6 & 7)

2. In what municipality do you live? _____ I (8 & 9)

3. How long (minutes) do you travel to work? _____ I (10 & 11)

4. What is your occupation?

- (check one)
- | | | |
|--------------------------|--------------------------|-------------|
| 1. business | <input type="checkbox"/> | I (12 - 1) |
| 2. government | <input type="checkbox"/> | I (12 - 2) |
| 3. professional | <input type="checkbox"/> | I (12 - 3) |
| 4. agriculture | <input type="checkbox"/> | I (12 - 4) |
| 5. labour | <input type="checkbox"/> | I (12 - 5) |
| 6. clergy | <input type="checkbox"/> | I (12 - 6) |
| 7. other (specify) _____ | <input type="checkbox"/> | I (12 - 7) |

5. In which of the following do you hold a responsible position?

(check those that are applicable)

- | | | |
|--|--------------------------|-------------|
| 1. municipal council | <input type="checkbox"/> | I (13 - 1) |
| 2. regional development council | <input type="checkbox"/> | I (13 - 2) |
| 3. Chamber of Commerce | <input type="checkbox"/> | I (13 - 3) |
| 4. labour organization | <input type="checkbox"/> | I (13 - 4) |
| 5. church | <input type="checkbox"/> | I (13 - 5) |
| 6. school board | <input type="checkbox"/> | I (13 - 6) |
| 7. charitable group | <input type="checkbox"/> | I (13 - 7) |
| 8. Children's Aid Society | <input type="checkbox"/> | I (13 - 8) |
| 9. Conservation Authority | <input type="checkbox"/> | I (13 - 9) |
| 10. Indian Band | <input type="checkbox"/> | I (13 - 10) |
| 11. other Municipal Board or Committee | <input type="checkbox"/> | I (13 - 11) |
| 12. other (specify) _____ | <input type="checkbox"/> | I (13 - 12) |

6. (a) On the attached form is a list of factors which may, in one way or another, be related to the location of social and economic activity in Northeastern Ontario. The question is whether or not you consider the factors to be problems and what you think of their importance. Would you indicate by placing a (✓) in one of columns 1 to 5 if you believe the factors to be:

Column

1. not presently a problem - and not likely to be one in the future.
- or 2. not presently a problem but, unless action is taken, it will become one.
- or 3. presently a problem, but one which will be worked out with policies now in operation.
- or 4. presently a problem and one which requires definite and immediate action.
- or 5. you don't know or have no opinion.
- (b) Would you indicate by placing a (✓) in the appropriate columns from 6 to 9 inclusive, the location in which you believe the problems (those checked in columns 2, 3 or 4) to be relevant, that is:

Column

6. your municipality
7. your district
8. your region
9. the province
- (c) If you have checked columns 2, 3 or 4 in the problem section, would you then indicate in column 10, which problems you consider to be the 5 most important. Indicate the rank by using 1 for the most urgent down to 5 for the least.

EXAMPLE:

If you believe that the lack of job choice is presently a problem and one which requires definite and immediate action you would check column 4. If you think it is a problem which does not exist in your municipality but does on the other hand exist throughout your district, your region and the province, you would check columns 7, 8 and 9. If you thought it the second most urgent problem, you would write "2" in column 10. Your reply would appear as follows:

	1	2	3	4	5	6	7	8	9	10
1. insufficient job choice				✓			✓	✓	✓	2

7. Following is a list of 32 selected courses of action which at various times have been proposed as remedies for all or some of the problems on the form. In columns 'A' to 'E' inclusive, insert the numbers of a maximum of five courses of action that you regard as appropriate for remedying each of the problems you checked in columns 2, 3 or 4. Insert the numbers of the courses of action to indicate what you think their relative importance is. Use column 'A' for the number of the course of action you think would be the most important and subsequent columns for the numbers of other courses of action in their order of diminishing importance.

If you think none of the solutions is appropriate, insert a (✓) in column 11.

If you did not regard a factor as a problem and did not check column 2, 3 or 4, insert a (✓) in column 11.

If you have no opinion, insert a (✓) in column 12.

EXAMPLE:

If you think that "insufficient job choice" is a problem, then select from the list of courses of action on page 4, the number or numbers of those which you think would be appropriate to increase job choices. These might include:
5. incentive schemes for industries; 6. provision of factories for lease, and 7. increasing the supply of serviced industrial sites. Of these you might regard number 5 to be of most importance, number 7 next, and number 6 of least importance. In this case, your reply would be as follows:

	A	B	C	D	E	11	12
1. insufficient job choice	5	7	6				

SELECTED COURSES OF ACTION

FOR REMEDYING SOCIAL & ECONOMIC PROBLEMS

GENERAL REGIONAL POLICY

- | | |
|--|---|
| 1. Concentrate the population in the four or five largest centres. | 16. Build more and better vocational institutions. |
| 2. Spread the population within the region. | 17. Develop more and better university programs and facilities. |
| 3. Encourage migration <u>into</u> the region. | 18. Build more hospitals. |
| 4. Encourage migration <u>out of</u> the region. | 19. Improve income maintenance programs. |
| | 20. Improve social work programs. |

ACTIVE PROGRAMS

- | | |
|---|--|
| 5. Offer incentive schemes for industries wishing to locate in the region or certain parts of it. | 21. Build more community meeting facilities. |
| 6. Provide factories for lease.. | 22. Implement urban renewal programs. |
| 7. Increase the supply of serviced industrial sites. | 23. Provide public housing. |
| 8. Improve regional air transport within the region. | 24. Improve railway facilities. |
| 9. Improve air transport links to points outside the region. | |
| 10. Improve road links between the major centres of population. | |
| 11. Improve roads to tourist and resource areas. | |
| 12. Develop more parkland. | |
| 13. Improve commercial harbours. | |
| 14. Improve water: (both quality and quantity). | |
| 15. Build more and better schools. | |

REGULATORY ACTIVITY

- | |
|--|
| 25. Institute higher standards of water pollution control. |
| 26. Institute higher standards of air pollution control. |
| 27. Institute minimum housing standards. |
| 28. Impose greater limits on hunting and fishing. |
| 29. Produce better official plans. |
| 30. Develop better zoning controls. |
| 31. Prepare and implement a district plan. |
| 32. Prepare and implement a regional plan. |

